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# Public Accounts 1986-87

## Volume 1

### Main Financial Statements



# Saskatchewan



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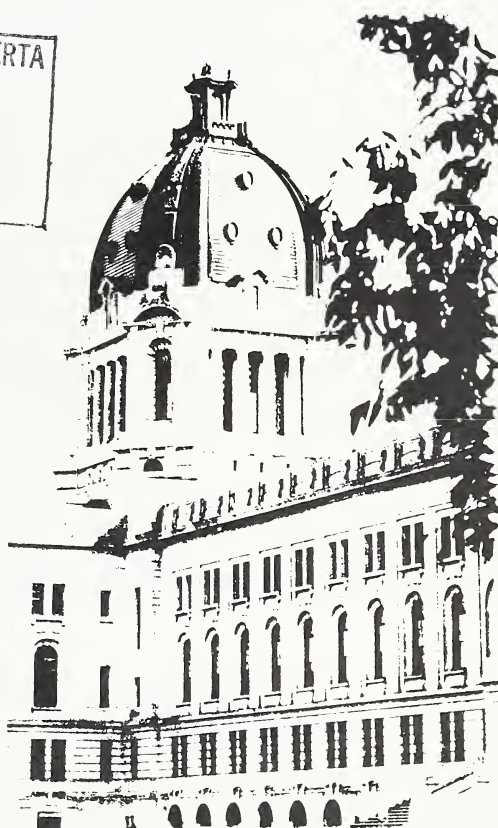
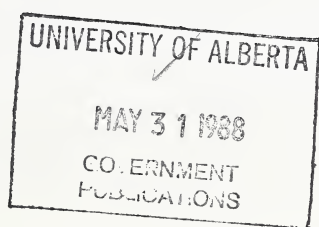


Province of  
Saskatchewan


# Public Accounts 1986-87

## Volume 1

### Main Financial Statements



# Saskatchewan



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To His Honour,  
The Honourable Fredrick W. Johnson,  
*Lieutenant Governor of the Province of Saskatchewan.*

May It Please Your Honour:

The undersigned has the honour to submit herewith the Public Accounts of the Province of Saskatchewan for the fiscal year ended March 31, 1987.

Respectfully submitted,

Gary Lane,  
*Minister of Finance.*

Regina, Saskatchewan  
January 22, 1988

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The Honourable Gary Lane,  
*Minister of Finance.*

We have the honour of presenting herewith the Public Accounts of the Province of Saskatchewan for the fiscal year ended March 31, 1987.

Respectfully submitted,

Art Wakabayashi,  
*Deputy Minister of Finance.*  
Regina, Saskatchewan  
January 22, 1988

Gerry Kraus,  
*Provincial Comptroller.*

# *Scope of the Public Accounts*

The Public Accounts are organized into three volumes:

## **Volume 1 — Main Financial Statements**

Volume 1 consists of two parts:

- Part A — Financial Statements of the Combined Funds
  - Financial Statements of the Consolidated Fund
  - Financial Statements of the Saskatchewan Heritage Fund

Part B — Additional Information on Debt, Loan, Investment and Deposit Activity

## **Volume 2 — Supplementary Financial Statements**

Summary information on Superannuation, Trust and Special Purpose Funds under the control of the Minister of Finance

Financial statements of Revolving Funds; and

Other financial statements which are not tabled separately in the Legislature.

## **Volume 3 — Details of Revenue and Expenditure Activity**

Summary Revenue and Expenditure Information for the Combined, Consolidated and Heritage Funds.

Consolidated Fund Revenue and Expenditure Details

Heritage Fund Revenue and Expenditure Details; and

Other Information — Statement of Remission of Taxes and Fees.

A Detailed Table of Contents is provided at the beginning of each of the Volumes.



## Introduction to the Public Accounts

The Public Accounts include primarily the financial statements of the Consolidated Fund, the Saskatchewan Heritage Fund and the Combined Funds. The Consolidated Fund is the general fund of the Province into which all public monies received are credited except where the Legislative Assembly has directed otherwise. The Saskatchewan Heritage Fund is a Fund established by the Legislative Assembly to receive all nonrenewable resource revenues and certain other revenues as specified in the Heritage Fund (Saskatchewan) Act. The Combined Funds represents a combination of the financial transactions of the Consolidated Fund and the Saskatchewan Heritage Fund.

The Combined Funds financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature. They are not intended to be summary financial statements that provide a full accounting of the financial affairs and resources of all the entities for which the Government of Saskatchewan is responsible. The financial transactions of other crown entities such as provincial crown corporations, agencies, boards and commissions are reported separately. Only those transactions pertaining to the receipt of money from or payment of money to the Combined Funds are reflected in these statements. Accumulated surpluses or deficits of these entities are not included.

A variety of special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, operations and residual balances of these are maintained and reported separately from those of the reporting entity. Summary financial information on these funds is provided in Volume 2 of the Public Accounts.

G. Kraus,  
Provincial Comptroller





## ***Part A — Main Financial Statements***

# *Table of Contents – Volume 1*

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## Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Combined Funds as at March 31, 1987 and the statements of Province's net debt, revenue and expenditure, loan, investment and deposit activity and financing and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

Short-term loans to crown entities include disbursements to Saskatchewan Property Management Corporation of \$181,993,000. It is inappropriate to include these disbursements as assets of the Combined Funds since their repayment depends upon future appropriations from the Consolidated Fund. Accordingly, these disbursements should be recorded as expenditures. If these disbursements had been recognized as expenditures, the short-term loans to crown entities would have been reduced by \$181,993,000 and excess of expenditure over revenue and Province's net debt would have been increased by \$181,993,000.

My auditor's report for the year ending March 31, 1986 contained a reservation that stated since the deficits of crown entities in the amount of \$135,550,000 were not funded by appropriations prior to March 31, 1986, the accounting policies required that the loans to the crown entities be written down in that year to recognize the losses. The financial statements disclose that the write-down of the loans to crown entities was recorded in the year ended March 31, 1987 rather than in the year ended March 31, 1986 when the write-down was required. If the write-down of the loans had been recognized in the proper accounting period, the loans to crown entities would have been reduced by \$135,550,000 and the Province's net debt increased by \$135,550,000 as at March 31, 1986. Further, the Province's net debt as at April 1, 1986 would have been increased by \$135,550,000 and the write-down of loans to crown entities for the year ended March 31, 1987 would be reduced by \$135,550,000.

In my opinion, except for the failure to record disbursements as expenditures as previously described and except for the effects of the failure to record the write-down of loans to crown entities in the proper accounting period as described in the preceding paragraph, these financial statements present fairly the financial position of the Combined Funds as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

As indicated in Note 1a, these financial statements represent a combination of the financial transactions of the Consolidated Fund and the Saskatchewan Heritage Fund and have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature from the Funds. These financial statements are not summary financial statements as contemplated by the Canadian Institute of Chartered Accountants that would report the financial condition and results of operations of the Government of Saskatchewan in accordance with their economic substance.

Regina, Saskatchewan,  
October 23, 1987, except as to  
Note 2(i), which is as of  
January 22, 1988.



W. G. Lutz, F.C.A.,  
Provincial Auditor.

# Government of the Province of Saskatchewan

## Combined Funds

### Statement of Financial Position

March 31, 1987

(\$ Thousands)

<b>Assets</b>	<b>1987</b>	<b>1986</b>
<i>Schedule</i>		
1 Cash and Short-Term Investments (Note 1e)	\$ (140,975)	\$ 7,522
2 Short-Term Loans to Crown Entities (Note 1f)	419,317	199,225
3 Loans to Crown Entities (Note 1g, 2g)	6,130,377	6,044,699
4 Other Loans (Note 1h)	190,650	288,831
5 Investments in Crown Entities (Note 1i)	747,230	747,230
Investments in Agricultural Land and Related Assets (Note 1j)	157,175	159,307
6 Other Investments (Note 1k)	6,870	10,357
<b>Total Assets</b>	<b>\$7,510,644</b>	<b>\$7,457,171</b>

### Liabilities and Province's Net Debt

Public Debt (Note 1l)		
7 Promissory Notes (Note 1l)	\$1,762,615	\$1,780,600
8 Treasury Bills (Note 1l)	650,000	653,400
9 Debentures (Note 1l)	7,394,556	5,965,624
10 Less: Sinking Funds (Note 1l)	(428,110)	(408,712)
	9,379,061	7,990,912
11 Amounts Payable to Crown Entities (Note 1m)	92,180	127,071
Conditional Receipts (Note 1n)	4,590	5,239
	9,475,831	8,123,222
12 Contingencies (Note 2a)		
Province's Net Debt	(1,965,187)	(666,051)
<b>Total Liabilities and Province's Deficiency</b>	<b>\$7,510,644</b>	<b>\$7,457,171</b>

(See Accompanying Notes)

## ***Government of the Province of Saskatchewan Combined Funds***

### ***Statement of Province's Equity (Net Debt)***

*For the Year Ended March 31, 1987*

	<i>(\$ Thousands)</i>	
	<i>1987</i>	<i>1986</i>
<b><i>Province's Equity (Net Debt), Beginning of Year</i></b>	<b><i>\$(666,051)</i></b>	<b><i>\$ (65,308)</i></b>
Excess of Expenditure Over Revenue	<b><i>(1,232,143)</i></b>	<b><i>(578,877)</i></b>
Sinking Fund Earnings Retained in Sinking Funds	<b><i>2,452</i></b>	<b><i>3,843</i></b>
Write-off of Other Loans	<b><i>—</i></b>	<b><i>(10)</i></b>
Write-down of Other Investments	<b><i>—</i></b>	<b><i>(537)</i></b>
Write-down of Loans to Crown Entities	<b><i>(58,398)</i></b>	<b><i>(1,301)</i></b>
Write-down of Other Loans	<b><i>(10,931)</i></b>	<b><i>(23,574)</i></b>
Loss on Sale of Land	<b><i>(116)</i></b>	<b><i>(287)</i></b>
<b><i>Province's Net Debt, End of Year</i></b>	<b><i>\$(1,965,187)</i></b>	<b><i>\$(666,051)</i></b>

(See Accompanying Notes)



# Government of the Province of Saskatchewan

## Combined Funds

### Statement of Revenue and Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

<b>Revenue:</b>	<b>1987</b>	<b>1986</b>
<b>Provincial Taxes</b>		
Corporation Capital	\$ 48,256	\$ 30,530
Corporation Income	118,801	129,400
Fuel	31,541	30,723
Individual Income	692,079	627,870
Insurance	19,543	17,318
Mineral Acreage	3,367	3,353
Sales	356,597	374,296
Tobacco	78,584	70,392
Other Taxes	6,387	5,753
<b>Total Provincial Taxes</b>	<b>1,355,155</b>	<b>1,289,635</b>
<b>Receipts from Government Enterprises and Other Funds</b>		
Profits Transferred from Saskatchewan Housing Corporation	583	6,161
Saskatchewan Liquor Board	140,000	84,000
Other Receipts	6,097	5,039
<b>Total Receipts from Government Enterprises and Other Funds</b>	<b>146,680</b>	<b>95,200</b>
<b>Other Own Source Revenues</b>		
Agricultural Lands		
Land Sales	6,490	9,795
Lease Revenue	9,836	10,331
Interest and Other	1,174	926
Fines, Forfeits and Penalties	8,846	7,152
Interest, Premium, Discount and Exchange	20,259	50,703
Non-Renewable Resources		
Coal	13,557	10,688
Natural Gas	21,887	13,332
Oil	212,926	638,661
Crude Oil Export Charge	—	35,276
Potash	36,982	32,592
Sodium Sulphate	1,085	1,190
Uranium	17,807	36,269
Other	763	978
Privileges, Licences, and Permits		
Lands, Forest, Game, Fur, Fisheries, and Water	10,970	10,072
Motor Vehicles	61,255	60,281
Other	9,883	10,294
Sales, Services, and Service Fees	40,627	64,033
Other Revenues	24,871	19,701
<b>Total Other Own Source Revenues</b>	<b>499,218</b>	<b>1,012,274</b>
<b>Receipts from Other Governments</b>		
Agricultural and Rural Development Act	326	538
Canada Assistance Plan	160,548	149,131
Department of Regional Industrial Expansion	1,131	531
Equalization Payment (Note 2b)	145,665	(22,913)
Established Programs Financing	409,307	445,063
Manpower Agreements	19,805	21,611
Statutory Subsidy	2,175	2,175
Other Federal Contributions	50,003	46,896
Other Receipts	10,505	8,930
<b>Total Receipts from Other Governments</b>	<b>799,465</b>	<b>651,962</b>
<b>Total Revenue</b>	<b>\$2,800,518</b>	<b>\$3,049,071</b>

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Combined Funds

### Statement of Revenue and Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

<b>Expenditure:</b>	<b>1987</b>	<b>1986</b>
Advanced Education and Manpower	\$ 263,822	\$ 253,743
Agriculture	298,441	220,338
Consumer and Commercial Affairs	5,174	5,418
Co-operation and Co-operative Development	2,860	2,974
Culture and Recreation	21,667	18,827
Economic Development and Trade	9,375	7,774
Education	437,445	423,592
Employment Development Agency	203,592	102,098
Energy and Mines	19,530	35,507
Environment	7,296	7,172
Executive Council	11,904	6,877
Finance: Interest on Public Debt (Note 1o)	192,587	190,322
Other	28,814	38,960
Health	1,165,204	1,067,419
Highways and Transportation	223,194	216,329
Indian and Native Affairs Secretariat	2,583	2,423
Justice	112,417	104,776
Labour	10,558	10,170
Legislation	10,110	10,441
The Local Government Board	447	417
Local Government Finance Commission	234	416
Northern Affairs Secretariat	666	538
Parks and Renewable Resources	58,131	61,647
Provincial Auditor	3,504	3,587
Provincial Secretary	933	714
Public Service Commission	6,120	6,453
Revenue and Financial Services	135,630	121,646
Rural Development	55,391	53,811
The Saskatchewan Assessment Authority	4,731	5,678
Saskatchewan Crop Insurance Corporation	17,155	18,250
Saskatchewan Housing Corporation	45,937	33,510
Saskatchewan Library	8,225	7,822
The Saskatchewan Research Council	4,081	4,316
The Saskatchewan Water Corporation	25,930	24,715
Science and Technology	5,001	3,967
Social Services	355,669	340,577
Supply and Services	139,076	92,165
Department of Telephones	463	198
Tourism and Small Business	14,497	10,835
Urban Affairs	123,715	111,224
Women's Secretariat	552	302
<b>Total Expenditure</b>	<b>\$4,032,661</b>	<b>\$3,627,948</b>
<b>Excess of Expenditure over Revenue</b>	<b>\$1,232,143</b>	<b>\$ 578,877</b>

(See Accompanying Notes)

# Government of the Province of Saskatchewan Combined Funds

## Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1987

(\$ Thousands)

	1987		1986	
	Disbursements	Receipts	Disbursements	Receipts
<b>Loans</b>				
Potash Corporation of Saskatchewan	\$ 65,255	\$ 5,000	\$ 160,517	\$ 18,400
Saskatchewan Economic Development Corporation	26,000	—	—	23,500
Saskatchewan Oil and Gas Corporation	—	—	—	25,000
Saskatchewan Power Corporation	241,111	174,826	212,507	9,637
Saskatchewan Telecommunications	32,598	13,283	—	7,793
Agricultural Credit Corporation of Saskatchewan	158,400	110,045	1,045,645	—
Crown Investments Corporation of Saskatchewan	266,158	188,000	114,728	51,500
Saskatchewan Mining Development Corporation	32,628	—	48,853	—
Loan and Sale Agreements	—	618	—	837
Other	147,666	234,347	328,884	147,311
Total Loan Disbursements and Receipts	969,816	726,119	1,911,134	283,978
<b>Investments</b>				
Investment in Agricultural Land and Related Assets:				
Recovery of Investment	429	2,289	585	4,647
Saskatchewan Oil and Gas Corporation	—	—	—	91,500
Other	300	3,787	240	2,546
Total Investment Disbursements and Receipts	729	6,076	825	98,693
<b>Deposits</b>				
Crown Entities	141,207	106,316	87,304	127,556
Sinking Fund	20,238	19,682	20,749	20,193
Conditional Receipts	648	—	928	—
Redemption of Sinking Funds	—	11,316	—	—
Total Deposit Disbursements and Receipts	162,093	137,314	108,981	147,749
<b>Total Disbursements and Receipts</b>	<b>\$1,132,638</b>	<b>\$869,509</b>	<b>\$2,020,940</b>	<b>\$530,420</b>
<b>Total Excess of Disbursements Over Receipts</b>	<b>\$ 263,129</b>		<b>\$1,490,520</b>	

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Combined Funds

### Statement of Financing and Changes in Financial Position

For the Year Ended March 31, 1987

	(\$ Thousands)			
	1987		1986	
<b>Cash Requirements</b>				
<i>Revenue and Expenditure</i>				
Expenditure	\$ 4,032,661		\$3,627,948	
Revenue	2,800,518	\$1,232,143	3,049,071	\$ 578,877
<i>Loan, Investment and Deposit</i>				
Disbursements	1,132,638		2,020,940	
Receipts	869,509	263,129	530,420	1,490,520
<b>Net Cash Requirement</b>		<b>1,495,272</b>		<b>2,069,397</b>
<i>Financing (Schedule 13)</i>				
Proceeds from Debt	10,563,646		6,940,974	
Repayment of Debt	8,996,779	1,566,867	4,987,613	1,953,361
<b>Net Increase (Decrease) in Cash, Short-Term Loans and Investments</b>		<b>71,595</b>		<b>(116,036)</b>
Cash, Short-Term Loans and Investments, Beginning of Year		<b>206,747</b>		<b>322,783</b>
<b>Cash, Short-Term Loans and Investments, End of Year</b>		<b>\$ 278,342</b>		<b>\$ 206,747</b>

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Combined Funds

### Notes to the Financial Statements

For the Year Ended March 31, 1987

## 1. Significant Accounting Policies

### General Policies

#### 1a. Reporting Entity

The Combined Funds represent a combination of the financial transactions for the Consolidated Fund and the Saskatchewan Heritage Fund. The Combined Funds financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature from the Funds. The Consolidated Fund is the general fund of the Province into which all public monies received are credited except where the Legislative Assembly has directed otherwise. The Saskatchewan Heritage Fund is a fund established by the Legislative Assembly to receive all nonrenewable resource revenues and certain other revenues as specified in The Heritage Fund (Saskatchewan) Act.

These financial statements are not intended to be summary financial statements that provide a full accounting of the financial affairs and resources of all the entities for which the Government of Saskatchewan is responsible. The financial transactions of other crown entities such as provincial crown corporations, agencies, boards and commissions are reported separately. Only those transactions pertaining to the receipts of money from or payment of money to the Combined Funds are reflected in these statements. Accumulated surpluses or deficits of these entities are not included.

A variety of special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, operations and residual balances of these are maintained and reported separately from those of the reporting entity.

#### 1b. Principles of Combination

The financial transactions for The Consolidated Fund and The Saskatchewan Heritage Fund are added together, or combined. Transactions between the funds, such as the fund dividend paid to The Consolidated Fund by the Saskatchewan Heritage Fund, are eliminated.

#### 1c. Basis of Accounting

The financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payments are made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

#### 1d. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt of the Province is the difference between recorded liabilities minus assets and represents the difference between accumulated revenues and accumulated expenditures. Since revenues and expenditures only affect the net debt, financing activities and transactions which arise from the financing activities (lending and investing) only affect recorded assets and liabilities. Accordingly, transactions are recorded within three categories: Revenue and Expenditure, Lending and Investing, and Financing Activities.

#### ● Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

#### ● Revenue

Revenue includes revenues raised through taxation, premiums, fees, licences and permits, receipts from the Federal government under fiscal arrangements and shared-cost programs, income from investments and dividends or transfers from other funds and accounting gains on the sale of certain agricultural lands.

#### ● Expenditure

Expenditure includes payments for goods and services, salaries, transfer payments to individuals, municipalities and institutions, subsidies and grants, interest on public debt and lease payments to the Saskatchewan Property Management Corporation for accommodations, furnishings and equipment. Payments for the acquisition of those fixed assets, which are not leased from the Property Management Corporation, are also charged to expenditure.



# Government of the Province of Saskatchewan Combined Funds

## Notes to the Financial Statements — (Continued)

### 1. Significant Accounting Policies — (Continued)

#### General Policies — (Concluded)

#### 1d. Classification of Financial Transactions — (Concluded)

##### • Lending and Investing

These transactions result from lending and investing functions which include the Province's lending and investing activity in various Crown entities, other organizations and individuals, in Agricultural Land and Related Assets acquired for resale and, also the administration of funds held for certain crown entities.

##### • Financing Activities

Financing activities are the borrowing and repayment transactions of the Province and include the borrowing on behalf of various crown entities.

##### • Assets and Liabilities

The majority of the assets and liabilities recorded in the statements are a result of the intermediary activity of borrowing on behalf of various crown entities. In general terms assets will consist of cash and short-term investments and loans to or investments in crown entities and other organizations and individuals.

The Saskatchewan Property Management Corporation, established on March 25, 1986, is responsible for certain aspects of capital asset management including the acquisition, maintenance and disposal of accommodations, furnishings and equipment for the government. These services are provided to government departments on a lease basis. Other capital assets are treated as expenditure in the year of purchase.

Liabilities consist of promissory notes, treasury bills and debentures to be repaid to outside parties and amounts that are due to provincially created crown entities.

##### • Revolving Fund Transactions

Various revolving funds have been established to provide services to the Province or the public. Each of these have statutory authority to make payments out of The Consolidated Fund for the provision of specified services.

Except for transactions relating to loans and advances to third parties, any net cash expenditure on behalf of a revolving fund is classified as an expenditure. Any net cash revenue is classified as a reduction in expenditures. Loans to third parties are classified as lending and investment transactions, and any amounts outstanding are shown as an asset.

### Specific Policies

#### 1e. Cash and Short-Term Investments

##### • Cash

Cash recorded is the balance on hand in the Combined Funds at March 31, adjusted in accordance with the modified cash basis of accounting as described in Note 1c.

##### • Short-Term Investments

Short-term investments represent those investments purchased under authority of *The Department of Finance Act, 1983* and *The Heritage Fund (Saskatchewan) Act*. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

#### 1f. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

Interest received on short-term loans is applied to offset the interest paid on the Province's share of public debt.

#### 1g. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, boards and commissions and generally have fixed terms of repayment. With the exception of the Saskatchewan Grain Car Corporation, the loans are all interest bearing.

Loans are valued at cost. Loans in foreign currency are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

Where the Province obtains the funds for making the loans through issuing of debentures, the crown entities are required to provide the funds to repay debt. Where sinking fund requirements are attached to the underlying debt issue, crown entities must reimburse the Province for payments made to the sinking fund. Accordingly, the crown entities equity (i.e. contributions and earnings) in the sinking funds reduce the recorded value of loans.

Interest received from crown entities is offset against the Province's interest expense in debt issues.

# Government of the Province of Saskatchewan Combined Funds

## Notes to the Financial Statements — (Continued)

### 1. Significant Accounting Policies

— (Continued)

#### Specific Policies — (Continued)

##### 1h. Other Loans

Other loans are subject to a variety of interest rates and terms of repayment. The loans to the Cow-Calf-to-Finish Plan, Feeder Finish Plan and the Saskatchewan Hog Assured Returns Program are interest-bearing except for an amount of \$13,127,000 relating to the 50 Purchased Feeders Option under the Cow-Calf-to-Finish Plan.

Other loans are carried at cost and will be revalued when it becomes evident that they are uncollectible. All write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

##### 1i. Investments in Crown Entities

Investments in crown entities represent long-term equity advances which are noninterest bearing and have no fixed terms of repayment.

Investments are valued at original cost. Revaluation of the investment will occur when the liabilities of the crown entity significantly exceed the net realizable value of its assets and the accumulated deficit is not funded by appropriation. All write-downs reducing the carrying value of the investment are charged directly to equity.

Dividends from the investments are recorded as revenue.

##### 1j. Investment in Agricultural Land and Related Assets

The Heritage Fund (Saskatchewan) Amendment Act, 1983 transferred the assets and liabilities of the former Saskatchewan Land Bank Commission to the Agricultural Division of the Saskatchewan Heritage Fund effective April 1, 1983. Investment in Agricultural Land and Related Assets represents the cost of land and improvements held for resale.

Sales of these lands and improvements are recorded as a recovery of investment in amounts equal to the cost and any gains are recorded as revenue when received. Where the sale involves a long-term sales agreement, the amount equal to the cost of the investment sold is recorded as an asset; any amount due in respect of a gain on the sale is recorded as revenue only upon collection. Any loss on the sale of these lands and improvements is charged to equity.

##### 1k. Other Investments

The investments are valued at cost and will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged to equity.

##### 1l. Public Debt

Public debt represents obligations of the Province to outside parties arising from its borrowing activities to finance the Province's operations or to finance loans to crown entities. Public debt consists of promissory notes, treasury bills and debentures.

##### • Borrowing on Behalf of Crown Entities

Where the Province performs the intermediary function of borrowing on behalf of crown entities, the funds required to repay the principal amount of the debt attributable to these entities are reimbursed by them.

Because this debt is reimbursable, interest received from the crown entities is offset against the interest paid on the debt.

All debentures due in a foreign currency will be repaid when due by these entities in requisite amounts. For reporting purposes, all debentures due in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

##### • Investment in Agricultural Land

Debt acquired for the purpose of financing the Investment in Agricultural Land now held by the Saskatchewan Heritage Fund but formerly held by the Saskatchewan Land Bank Commission is considered to be fully reimbursable from the proceeds from the sale of the Agricultural Lands to be received by the Saskatchewan Heritage Fund. The interest paid on the public debt which is considered to be fully reimbursable from the lease fee revenue on the lands, received in the Farm Purchase Program Fund, is offset against the interest paid on the debt. To the extent lease fees are insufficient for this purpose, an appropriation of funds from the Saskatchewan Heritage Fund is made to cover the deficiency.

The balance of the public debt is borrowed for the purpose of the Province. The interest paid on this portion is shown as Interest on Public Debt under the Department of Finance in the Statement of Revenue and Expenditure.



## *Government of the Province of Saskatchewan Combined Funds*

### *Notes to the Financial Statements — (Continued)*

#### **1. Significant Accounting Policies** — (Concluded)

##### **Specific Policies — (Concluded)**

##### **11. Public Debt — (Concluded)**

###### • **Promissory Notes**

Promissory notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term loans to crown entities.

Promissory notes are carried at face value.

###### • **Treasury Bills**

Treasury bills are issued to cover temporary insufficiencies of the Consolidated Fund.

Treasury bills are carried at par.

###### • **Debentures**

Debentures are issued to finance activities of the Province and for funding long-term loans to crown entities.

Debentures are carried at par. In the year in which debentures are issued, discounts are charged to expenditure and any premiums are recorded as revenue. Where borrowing is made to finance loans to crown entities, all expenses including discounts are charged directly to the crown entities and premiums are paid to the crown entities.

Many public debentures issued require payments into a sinking fund in accordance with Sinking Fund Policy.

Repayments of principal where sinking funds are not required directly reduce the liability.

###### • **Sinking Funds**

The Province has a general sinking fund into which payments are made on most public debenture issues. Annual payments to the general sinking fund under this policy have been based on 1% or 1½% of the principal amount outstanding of the applicable debenture issued. The Province requires that it be reimbursed by crown entities for all sinking fund payments made on debt incurred on behalf of crown entities. Notwithstanding this requirement, the Province assumes direct responsibility for all payments to sinking funds.

Sinking fund monies are invested in Province of Saskatchewan debentures, other provincial government or provincial government guaranteed securities, Federal Government or Federal Government guaranteed securities, or high grade Canadian municipal securities until such time as the monies are required for retirement of debt. Sinking fund monies are subject to noncash calculations regarding earnings in accordance with the following accounting policies:

- Interest income is recorded on an accrual basis.
- Premium/discount on long-term investments is amortized by type of security to maintain a constant yield over the life of the investment.
- Gains/losses on the sale of long-term investments are recognized in the period the sale was transacted.

Earnings of the sinking funds are retained within the sinking funds and accordingly, are not recorded as revenue but are credited directly to equity.

##### **1m. Amounts Payable to Crown Entities**

These represent amounts held on deposit in the Consolidated Fund on behalf of certain crown entities at no interest.

##### **1n. Conditional Receipts**

The Province receives funds for which the ultimate disposition is not immediately known or which is subject to some future action beyond the control of the payor. These funds are deposited to the credit of a liability account entitled "Conditional Receipts". The balance reflected is that for such funds held as at March 31.

##### **1o. Interest on Public Debt**

Interest on public debt includes interest paid by the Province on promissory notes, treasury bills and debentures, but does not include interest on public debt borrowed by the Province on behalf of crown entities (Note 1f, 1g, 1i).

## **2. Additional Information**

### **2a. Contingencies**

#### • **Guaranteed Debt**

The Province has explicitly guaranteed the repayment of the principal and interest of certain bonds, debentures and loans of various organizations including crown entities. The total principal portion of all guaranteed debt at March 31 was \$551,226,000 (\$493,175,000 at March 31, 1986).

The guaranteed debt is not a recorded liability until conditions exist or events occur which would require the Province to assume the repayment of the debt. At March 31, there were no organizations in receivership whose debt had been guaranteed.

# Government of the Province of Saskatchewan

## Combined Funds

### Notes to the Financial Statements — (Continued)

#### 2. Additional Information

##### — (Continued)

##### • Litigation Matters

The Province has a contingent liability in respect of a claim filed by the Cumberland House Local Community, the Village of Cumberland House and Cumberland Fisherman's Co-op Ltd., against the Saskatchewan Power Corporation and the Government of Saskatchewan. The plaintiffs are claiming \$200 million in damages resulting from the losses they allege they will suffer as a result of the construction and operation of the Squaw Rapid Dam. The outcome of this action is uncertain and the likely loss to the Province, if any, cannot be determined.

The Province has also been named in a claim filed by Chief Myles Venne on behalf of the members of the Lac La Ronge, James Roberts and Amos Charles Indian Bands against the Government of Canada and the Government of Saskatchewan. The claim is for approximately 250,000 acres of land in Saskatchewan based on entitlement under Treaty No. 6. The outcome of this action is uncertain and the likely loss to the Province, if any, cannot be determined.

The Province is also named as defendant in various other legal actions, in excess of \$1,000,000 totalling approximately \$42.0 million. The outcome of these actions are uncertain and the likely loss to the Province, if any, cannot be determined.

##### • Crop Reinsurance Fund of Saskatchewan

The Province of Saskatchewan is liable for funding any deficiency arising in the Crop Reinsurance Fund of Saskatchewan. As at March 31, 1987, the Crop Reinsurance Fund of Saskatchewan had a \$54.8 million deficit as a result of crop insurance claims in excess of the accumulated surplus of the Saskatchewan Crop Insurance Corporation — Insurance Operation and the Crop Reinsurance Fund of Saskatchewan. The likelihood of payment to the Saskatchewan Crop Reinsurance Fund is dependent upon the future level of claims in relation to premiums and, therefore, is not determinable at this time.

##### 2b. Equalization Payment

Contained in receipts from other governments is a reduction to revenue of \$22,913,000 for an equalization payment to the Federal Government resulting from an amendment to its calculation of equalization payments which occurred subsequent to March 31, 1982.

The amendment resulted in the Province being overpaid by \$117,400,000 in total. By agreement with the Federal Government, this amount was repaid through reduction of other federal transfer payments over a five year period ending March 31, 1987.

##### 2c. Overcommitments

The Province of Saskatchewan uses the modified cash basis of accounting. Under this method accounts receivable or payable are not recorded.

There is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

Five departments overcommitted their appropriations by a total of \$26,321,647 at March 31, 1987:

	(\$ Thousands)
Energy and Mines	\$26,146
Justice	123
Legislation	24
Local Government Board	1
Saskatchewan Library	28
	<u>\$26,322</u>

The overcommitted figure (except for the amount relating to Energy and Mines) reflects the amount by which expenditures plus accounts payable exceed the estimates adjusted for special warrants and virements.

Accounts payable are defined to be a debt for goods or services received by a department prior to March 31, 1987 and which remain unpaid at April 30, 1987.

The overcommitment relating to an appropriation of the Department of Energy and Mines relates primarily to an indebtedness in an estimated amount of \$26,558,144 respecting grants under The Oil and Gas Incentives Regulations 1978. Under The Oil and Gas Incentives Regulations 1978, expenditures on oil and gas exploration and development within the Province may be cost shared by the Provincial Government. Eligibility is conditional upon the production of oil within the Province. At March 31, 1987, such expenditures on oil and gas exploration and development, as approved, when combined with the production of oil as reported, calculates to the indebtedness noted. Such amounts are subject to adjustment upon final approval and payment.

##### 2d. Significant Long-Term Obligations

The Province entered into a lease agreement with Saskatchewan Government Insurance in 1981 to lease an office building in Prince Albert, Saskatchewan for a term of 30 years ending on April 30, 2011. The lease requires annual payments of approximately \$1,600,000.

Obligations under this lease agreement are treated as expenditures as paid.

# Government of the Province of Saskatchewan Combined Funds

## Notes to the Financial Statements — (Continued)

### 2. Additional Information

#### — (Continued)

#### 2e. Saskatchewan Property Management Corporation

The Province established the Saskatchewan Property Management Corporation at March 25, 1986.

The Province sold to the Corporation its work-in-progress at March 25, 1986, on certain capital projects undertaken by Supply and Services. The Sale for \$23,881,000 is reflected as "Sales, Services and Service Fees" revenue in the Statement of Revenue and Expenditure for the year ended March 31, 1986.

In addition, the Province was reimbursed an amount of \$53,111,000 by the Corporation for grants paid to certain hospitals (Department of Health — \$34,457,000) and universities (Department of Advanced Education and Manpower — \$18,654,000) in 1985-86. The amounts reimbursed were reflected as reductions of expenditures for the departments.

The Province paid approximately \$33,514,000 to the Saskatchewan Property Management Corporation in 1986-87. The Province paid approximately \$2,511,000 from the Consolidated Fund subject to such approval required by applicable legislation, on behalf of Crown agencies or third parties in amounts equal to annual installments of principal and interest, on loans, according to the terms of various tripartite agreements. The Saskatchewan Property Management Corporation finances the construction of capital projects for these agencies. \$20,950,000 was paid to provide funding to various school board construction projects. Approximately \$7,638,000 was paid as lease payments for accommodation, furnishing and equipment. Approximately \$2,415,000 was paid to provide funding for other capital projects.

During 1986-87, the Province transferred to the Saskatchewan Property Management Corporation certain assets at no cost. Saskatchewan Property Management Corporation has valued these assets at approximately \$89,318,000, subsequent to March 31, 1987 an additional \$366,300,000 of net assets were transferred to Saskatchewan Property Management Corporation at no cost.

#### 2f. Superannuation

For certain pension plans the Province pays, out of the Consolidated Fund, part of the benefits and/or is responsible for any deficiency arising when the benefits exceed the assets available in the funds.

The following is a brief description of these plans:

#### • Public Service Superannuation Plan

This is an unfunded plan. All employee contributions are recorded as revenue of the Consolidated Fund, and all payments required are recorded as expenditures of the Consolidated Fund.

#### • Public Employees (Government Contributory) Superannuation Fund

This is a funded plan, with employee contributions being matched by the Province. A separate fund is maintained for receiving all contributions, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

#### • Public Employees (Government Contributory) Annuity Fund

In 1985-86 The Superannuation (Supplementary Provisions) Act was amended creating the Public Employees (Government Contributory) Annuity Fund. The related assets and accumulated balances of members who have chosen this annuity option are transferred to the annuity fund from the Public Employees (Government Contributory) Superannuation Plan and all annuities are paid out of the Fund. Upon retirement, an employee is entitled to receive a guaranteed life annuity provided by the amount standing to his credit in the Fund at the time.

#### • Teachers' Superannuation Fund

Teacher contributions are paid into a separate fund, with allowances and benefits being made from the fund. Teacher contributions on and after July 1, 1980 are matched by the Province, with these monies also being paid into the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when retirement benefits and allowances exceed the assets available in the fund.

#### • Teachers' Annuity Fund

This is a funded plan for teachers who had never taught in the provincial school system prior to July 1, 1980 and entered the school system after that date. Teacher contributions are matched by the Province. Contributions are paid into a separate fund, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.



# Government of the Province of Saskatchewan

## Combined Funds

### Notes to the Financial Statements — (Continued)

#### 2. Additional Information

##### — (Continued)

#### 2f. Superannuation — (Concluded)

##### • Teachers' Supplementary Allowances Fund

This fund was created in conjunction with the Teachers' Annuity Fund. A designated portion of contributions made by teachers into the Annuity Fund is paid into the Teachers' Supplementary Allowances Fund for the purpose of increasing allowances for cost of living and to pay survivor benefits to dependents of teachers. Teacher contributions are matched by the Province. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

##### • Members of the Legislative Assembly Superannuation Fund

This is a funded plan, with employee contributions being matched by the Province. The Province also contributes an annual payment and any other amounts that may be appropriated. Contributions are paid into a separate fund, with allowances and refunds being made from the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

##### • Judges of the Provincial Court Superannuation Fund

Employee contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

Annuities and allowances made under The Magistrates Court Act (repealed) are also paid out of the Judges of the Provincial Court Superannuation

Fund. Employees do not make contributions. The Consolidated Fund reimburses the Judges of the Provincial Court Superannuation Fund for all payments to superannuates.

##### • Anti-Tuberculosis League Employees Superannuation Fund

Employee contributions are matched by The Saskatchewan Anti-Tuberculosis League. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

##### • Saskatchewan Transportation Company Employees Superannuation Fund

Employee contributions are matched by the Saskatchewan Transportation Company. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when benefits exceed the assets available in the fund.

##### • Saskatchewan Pension Plan

In 1986-87, the Province created the Saskatchewan Pension Plan, which is voluntary and open to all residents of the Province of Saskatchewan who are between the ages of 18 and 65. The Province matches contributions of the members on the basis of an income related formula to a maximum of \$300 annually.

The Province's contributions are recorded as an expenditure of the Consolidated Fund. Benefits are based on accumulated contributions to the fund. Accordingly, the Province has no residual obligation except for any amounts required to supplement the fund for the guaranteed minimum pension to members who retire during the first ten years of the plan. The minimum pension is limited to \$15 per month for each year of contribution to the plan.

The following is a summary of the unfunded liability in respect of these pension plans as indicated in the most recent actuarial reports:

			(\$ Thousands)
	<i>Date of Report</i>	<i>Liability As At</i>	<i>Unfunded Liability</i>
Public Service Superannuation Plan	Nov./86	Mar./86	\$ 646,615
Public Employees (Government Contributory) Superannuation Plan			N/A
Teachers' Superannuation Fund	Nov./86	June/86	1,279,000
Teachers' Annuity Fund			N/A
Teachers' Supplementary Allowances Fund			N/A
Members of the Legislative Assembly Superannuation Fund	Jan./87	Mar./86	15,696
Judges of the Provincial Court Superannuation Fund	Jan./83	Jan./83	6,330
Anti-Tuberculosis League Employees Superannuation Fund	Jan./85	Mar./84	1,238
Saskatchewan Transportation Company Employees Superannuation Fund	Jan./85	Mar./84	3,816
Saskatchewan Pension Plan			N/A
			\$1,952,695

## ***Government of the Province of Saskatchewan Combined Funds***

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### ***Notes to the Financial Statements — (Concluded)***

#### ***2. Additional Information***

##### ***— (Concluded)***

##### **2g. Comparative Information**

Certain of the 1986 figures have been reclassified to conform with the current year presentation, however, with regard to expenditures of the prior year, the figures are reported on the same basis as the estimates of the prior year.

##### **2h. Legal Defeasance**

During 1986-87, the Province advanced to Saskatchewan Power Corporation \$89.3 million, due December 30, 2004, bearing an interest rate of 9 5/8% per annum. Saskatchewan Power Corporation completed a legal defeasance of this advance by placing a promissory note receivable with identical terms to the Advance into an irrevocable trust to be used solely for satisfying the principal and interest payments on the Advance. The promissory note is receivable from an unrelated third party and is guaranteed by the Province of Saskatchewan under

a previous agreement. Although the Province has accepted the promissory note as full and final satisfaction of the Advance, the promissory note remains in the irrevocable trust. Accordingly, these financial statements will continue to reflect a receivable from the Saskatchewan Power Corporation Trust until such time as all claims against the Trust are extinguished. This receivable is included in loans to Saskatchewan Power Corporation as detailed on Schedule 3 — Loans to Crown Entities.

##### **2i. Subsequent Event**

Subsequent to March 31, 1987 the Potash Corporation of Saskatchewan repaid its loans to the Consolidated Fund using funds provided by Crown Investments Corporation. The Consolidated Fund provided loans to the Crown Investments Corporation for these purposes.

# Government of the Province of Saskatchewan Combined Funds

## Schedule 1

### Cash and Short-Term Investments

March 31, 1987

	(\$ Thousands)	
	1987	1986
Cash (Overdraft)	<b>\$ (151,315)</b>	\$ (93,562)
Short-Term Investments	<b>10,340</b>	101,084
	<b>\$ (140,975)</b>	\$7,522

The market value of the Short-Term Investments at March 31, 1987 is \$10,428,962. (March 31, 1986 \$101,640,000).

# Government of the Province of Saskatchewan Combined Funds

## Schedule 2

### Short-Term Loans to Crown Entities

March 31, 1987

	(\$ Thousands)	
	1987	1986
Crown Investments Corporation of Saskatchewan	<b>\$127,000</b>	\$105,349
Municipal Financing Corporation of Saskatchewan	<b>22,000</b>	16,500
Potash Corporation of Saskatchewan	<b>50,000</b>	—
Saskatchewan Economic Development Corporation	<b>7,024</b>	44,300
Saskatchewan Government Printing Corporation	<b>2,100</b>	2,176
Saskatchewan Power Corporation	<b>20,000</b>	30,000
Saskatchewan Mining and Development Corporation	<b>6,700</b>	900
Saskatchewan Property Management Corporation	<b>181,993</b>	—
Saskatchewan Water Corporation	<b>2,500</b>	—
	<b>\$419,317</b>	\$199,225

# Government of the Province of Saskatchewan Combined Fund

## Schedule 3

### Loans to Crown Entities

March 31, 1987

(\$ Thousands)

	1987			1986	
		Principal Amount Outstanding	Equity in Sinking Funds	Ending Balance	Ending Balance
	Gross	Net		Gross	Net
Agricultural Credit Corporation of Saskatchewan		\$1,263,843	\$ —	\$1,263,843	\$1,215,488
Crown Investments Corporation of Saskatchewan	\$ 705,649			\$ 627,490	
Less: Provision for Loss	56,565	649,084	—	649,084	—
Municipal Financing Corporation of Saskatchewan		54,724	—	54,724	54,723
Potash Corporation of Saskatchewan		528,734	—	528,734	494,782
Saskatchewan Economic Development Corporation		50,647	—	50,647	24,647
Saskatchewan Grain Car Corporation	45,049			46,350	
Less: Write-down	1,833	43,216		43,216	1,301
Saskatchewan Housing Corporation		317,304	—	317,304	317,304
Saskatchewan Mining Development Corporation		551,617	—	551,617	555,056
Saskatchewan Telecommunications		760,510	110,126	650,384	657,669
Saskatchewan Water Corporation		14,876	12,971	1,905	3,105
Saskatchewan Power Corporation		2,298,657	279,738	2,018,919	2,049,386
		\$6,533,212	\$ 402,835	\$6,130,377	\$6,044,699



# Government of the Province of Saskatchewan

## Combined Funds

### Schedule 4

#### Other Loans

March 31, 1987

	(\$ Thousands)	
	1987	1986
<b>Advanced Education</b>		
Student Loan Program	\$ 17,806	\$ —
<b>Agriculture</b>		
South Saskatchewan River Irrigation Projects		
Acquisition and Improvements of Lands for Resale	365	436
Loans to Farm Operators for Land Improvement	49	60
<b>Co-operation and Co-operative Development</b>		
Canadian Co-operative Implements Limited	\$ 2,450	\$ 2,450
Less: Provision for Doubtful Accounts	2,450	—
Canora District Seed Cleaning Co-operative Limited	—	4
Highland Curling Club Co-operative Limited	—	46
Hudson Bay Dehydrators Mutual Limited	57	62
<b>Education</b>		
School Loans	189	328
<b>Finance</b>		
Receiver General for Canada (Postage Deposit)	250	250
Treasury Advances	524	534
University of Saskatchewan	\$ 2,242	\$ 2,249
Less: Equity in Sinking Fund	811	705
	1,431	1,544
<b>Health</b>		
University Hospital Board	706	772
<b>Revenue and Financial Services</b>		
Payroll — Holiday Advance	1	—
<b>Tourism and Small Business</b>		
Economic Development Loans	\$ 8,828	\$ 7,414
Less: Provision for Doubtful Accounts	1,612	1,008
	7,216	6,406
<b>Urban Affairs</b>		
Agricultural Service Centres Agreement — Shareable	4,394	4,719
Employment Loans Program — Federal-Provincial	675	748
Loans to Industrial Towns	170	252
Loans to Municipalities Pursuant to Downtown Development Agreements	5,593	4,812
Loans to Municipalities — Municipal Development and Loan (Saskatchewan) Act	907	1,339
Winter Works Employment Program — Federal-Provincial	3,668	4,107
Winter Works Employment Program — Provincial	798	890
Urban Loan Assistance Program	128	—
<b>Crop Insurance Corporation</b>		
Loans to cover Crop Insurance claims pursuant to an agreement between Provincial and Federal Governments	79,235	249,150

## Government of the Province of Saskatchewan Combined Funds

### Schedule 4

#### Other Loans — (Concluded)

March 31, 1987

	(\$ Thousands)	
	1987	1986
<b>Saskatchewan Agricultural Returns Stabilization Fund</b>		
Loans	\$ 81,509	\$ 71,182
Less: Provision for Loss	81,509	71,182
<b>Heritage Fund</b>		
Loans and Sales Agreements	5,810	6,272
NewGrade Energy Inc.	60,678	6,100
	<b>\$190,650</b>	<b>\$288,831</b>

## Government of the Province of Saskatchewan Combined Funds

### Schedule 5

#### Investment in Crown Entities

March 31, 1987

	(\$ Thousands)	
	1987	1986
	<i>Recorded Investment (At Cost)</i>	<i>Recorded Investment (At Cost)</i>
Crown Investments Corporation of Saskatchewan	\$109,976	\$109,976
Potash Corporation of Saskatchewan	418,554	418,554
Saskatchewan Mining Development Corporation	218,700	218,700
	<b>\$747,230</b>	<b>\$747,230</b>

## Government of the Province of Saskatchewan Combined Funds

### Schedule 6

#### Other Investments

March 31, 1987

	(\$ Thousands)	
	1987	1986
Credit Union Central	\$ —	\$ 1,195
New Grade Energy Inc.	735	735
Investments in Co-operatives:		
Hudson Bay Dehydrators Mutual Limited	4	4
Lake Lenore Seed Cleaning Co-operative Limited	—	10
Paradise Hill Seed Cleaning Co-operative Limited	15	15
Federal Government Bonds	1,434	1,434
Provincial Government Bonds	3,410	5,037
Corporate Bonds	250	374
Saskatchewan Municipal Bonds	1,022	1,553
	<b>\$6,870</b>	<b>\$10,357</b>

The market value of Long-Term Investments in bonds at March 31, 1987 is \$6,314,855 (March 31, 1986 — \$8,736,000).

# Government of the Province of Saskatchewan Combined Funds

## Schedule 7

### Promissory Notes

March 31, 1987

	(\$ Thousands)	
<i>Maturity</i>	1987	1986
1986-87	\$ —	\$1,680,600
1987-88	1,762,615	100,000
	<b>\$1,762,615</b>	<b>\$1,780,600</b>

### Issued for the Purpose of:

	1987	1986
Province	\$ 394,498	\$ 317,130
Crown Entities	1,368,117	1,463,470
	<b>\$1,762,615</b>	<b>\$1,780,600</b>

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)				
	1987			1986	
	<i>Amount Outstanding</i>	<i>Weighted Average Years to Maturity (years)</i>	<i>Weighted Average Interest Rate (per cent.)</i>	<i>Amount Outstanding</i>	<i>Weighted Average Interest Rate (per cent.)</i>
Promissory Notes	<b>\$1,762,615</b>	<b>.23</b>	<b>8.562</b>	\$1,780,600	10.988

# Government of the Province of Saskatchewan Combined Funds

## Schedule 8

### Treasury Bills

March 31, 1987

	(\$ Thousands)	
<i>Maturity</i>	1987	1986
1986-87	\$ —	\$ 653,400
1987-88	650,000	—
	<b>\$ 650,000</b>	<b>\$ 653,400</b>

<i>Issued for the Purpose of:</i>	1987	1986
Province	\$ 650,000	\$ 651,000
Crown Entities	—	2,400
	<b>\$ 650,000</b>	<b>\$ 653,400</b>

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

(\$ Thousands)					
	1987			1986	
	<i>Amount Outstanding</i>	<i>Weighted Average Years to Maturity (years)</i>	<i>Weighted Average Interest Rate (per cent.)</i>	<i>Amount Outstanding</i>	<i>Weighted Average Interest Rate (per cent.)</i>
Treasury Bills	\$ 650,000	.11	7.469	\$ 653,400	10.666

# Government of the Province of Saskatchewan Combined Funds

## Schedule 9

### Debentures

March 31, 1987

(\$ Thousands)

					1987	1986
<i>Year of Maturity</i>		<i>Canadian Dollar Debt</i>	<i>United States Dollar Debt (U.S. Dollars)</i>	<i>United States Dollar Debt (Can. Dollars)</i>	<i>Total (Canadian Dollars)</i>	<i>Total (Canadian Dollars)</i>
(a)	1986-87	\$ —	\$ —	\$ —	\$ —	\$ 201,842
(b)	1987-88	235,258	77,663	101,358	336,616	343,763
	1988-89	371,971	236,300	308,395	680,366	701,798
(c)	1989-90	468,024	185,000	241,444	709,468	507,847
(d)	1990-91	331,703	158,850	207,315	539,018	503,460
(e)	1991-92	443,030	325,000	424,157	867,187	—
<i>1-5 years</i>		<i>1,849,986</i>	<i>982,813</i>	<i>1,282,669</i>	<i>3,132,655</i>	<i>2,258,710</i>
(a, e)	6-10 years	1,329,756	196,452	256,390	1,586,146	1,016,806
	11-15 years	764,523	—	—	764,523	718,316
	16-20 years	1,370,726	125,000	163,137	1,533,863	1,397,180
	21-25 years	50,548	250,000	326,275	376,823	573,946
(f)	26-30 years	546	—	—	546	666
		\$ 5,366,085	\$ 1,554,265	\$ 2,028,471	\$ 7,394,556	\$ 5,965,624

The debentures in U.S. dollars have been converted to Canadian Dollars at the exchange rate in effect at March 31, 1987 (\$1.3051) and March 31, 1986 (\$1.3958).

Note (a) Includes \$2,089,000 of original \$150,000,000 debentures maturing April 1, 1986. The remaining debentures totalling \$147,911,000 were extended to April 1, 1996.

(b) Includes \$77,662,684, U.S., maturing March 1, 1988. The original issue of 150,000,000, 7 3/8%, Swiss franc debentures converted by forward contract to \$77,662,684 U.S.

(c) Includes \$53,200,000, Canadian, maturing November 15, 1989. The original issue of \$40,000,000, 11 7/8% U.S. dollar debentures converted by forward contract to \$53,200,000, Canadian. Includes \$56,027,073, Canadian, maturing March 28, 1990. The original issue of 10,000,000,000, 7.4% Yen debentures, with semi-annual interest payments converted by forward contract to \$56,027,073, Canadian, with annual interest payments and an effective interest rate of 9.53%.

(d) Includes \$73,637,703 Canadian maturing November 27, 1990. The original issue of 15,000,000,000 Yen converted by forward contract to \$73,637,703, Canadian.

(e) Includes \$133,550,000, Canadian, maturing March 1, 1992. The original issue of \$100,000,000, 10 3/4% U.S. dollar debentures converted by forward contract to \$133,550,000, Canadian.

Includes \$46,452,384, U.S., maturing June 30, 1992. The original issue of 100,000,000, 6 1/4% Swiss franc debentures converted by forward contract to \$46,452,384, U.S.

Includes \$61,629,173, Canadian, maturing July 25, 1992. The original issue of 15,000,000,000 Yen converted by forward contract to \$61,629,173, Canadian.

Includes \$113,927,728, Canadian, maturing April 9, 1991. The original issue of 15,000,000,000, 7 1/2% Yen converted by forward contract to \$113,927,728, Canadian.

Includes \$81,806,282, Canadian, maturing May 29, 1993. The original issue of 10,000,000,000 6 1/4% Yen converted by forward contract to \$81,806,282, Canadian.

(f) Includes \$2,294,238 maturing December 1, 2015, payable in blended semi-annual payments of principal and interest totalling \$76,399. Prepayable in whole or in part any time prior to December 1, 2015, without penalty. The semi-annual principal repayments are included in the total debentures maturing each year.

(g) Debentures include \$1,460,423,000 (\$1,351,176,000 — March 31, 1986) of Canadian Pension Plan debentures which are subject to redemption on six months notice.

# Government of the Province of Saskatchewan Combined Funds

## Schedule 9

### Debentures — (Concluded)

March 31, 1986

The debentures were issued for the purpose of and are reimbursable from the following sources:

	(\$ Thousands)	
	1987	1986
Agricultural Credit Corporation of Saskatchewan	\$ 328,243	\$ 169,843
Crown Investments Corporation of Saskatchewan	605,648	369,490
Municipal Financing Corporation of Saskatchewan	54,724	54,724
Potash Corporation of Saskatchewan	523,734	484,782
Saskatchewan Economic Development Corporation	50,647	24,647
Saskatchewan Heritage Fund: Investment in Agricultural Land	184,436	184,436
Saskatchewan Housing Corporation	317,304	317,304
Saskatchewan Mining Development Corporation	551,617	555,056
Saskatchewan Power Corporation	2,296,210	2,305,800
Saskatchewan Telecommunications	760,510	759,871
Saskatchewan Water Corporation	14,876	14,876
University of Saskatchewan	2,242	2,249
	5,690,191	5,243,078
Province's Share	1,704,365	722,546
	<b>\$7,394,556</b>	<b>\$5,965,624</b>

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)					
	1987			1986		
	Amount Outstanding	As A Percentage of Total	Weighted Average Years to Maturity (years)	Weighted Average Interest Rate (per cent.)	Amount Outstanding	Weighted Average Interest Rate (per cent.)
Public Debentures	\$5,926,734	80.2	8.16	10.842	\$4,606,264	11.625
Canada Pension Plan Debentures	1,460,423	19.7	12.24	10.641	1,351,176	10.649
Other Debentures	7,399	0.1		—	8,184	—
	<b>\$7,394,556</b>	<b>100.0</b>			<b>\$5,965,624</b>	



# Government of the Province of Saskatchewan Combined Funds

## Schedule 10

### Summary of Sinking Funds

March 31, 1987

	1987			1986	
	Province's Share	Crown Entities' Share	Other Enterprises' Share	Total	Total
<b>Balance, Beginning of year</b>	\$ 32,772	\$375,235	\$ 705	\$408,712	\$353,205
Contributions Made During the Year	556	19,647	35	20,238	20,749
Earnings in the Year	2,452	55,909	71	58,432	49,971
	35,780	450,791	811	487,382	423,925
Deduct: Funds Applied on Redemption	11,316	47,956	—	59,272	15,213
<b>Balance, End of Year</b>	\$ 24,464	\$402,835	\$ 811	\$428,110	\$408,712

# Government of the Province of Saskatchewan Combined Funds

## Schedule 11

### Amounts Payable to Crown Entities

March 31, 1987

	(\$ Thousands)	
	1987	1986
Saskatchewan Liquor Board	\$91,800	\$125,800
Special Projects Fund	95	1,026
The Market Development Fund	285	245
	\$92,180	\$127,071



# Government of the Province of Saskatchewan

## Combined Funds

### Schedule 12

#### Guaranteed Debt

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Crown Corporations</b>		
The Crown Corporations Act		
16 5/8% Deb. Maturing August 18, 1987	\$ 15,000	\$ 15,000
The Municipal Financing Corporation Act		
Guaranteed Debentures	57,000	59,000
Potash Corporation of Saskatchewan		
Royal Trust, London Life Lease	34,498	38,000
T.D., Mutual Life, London Life Lease	43,899	47,000
Royal Trust Lease	28,958	30,830
The Power Corporation Act		
I.A.C. Limited — Dragline Lease	28,416	29,038
Manalta Coal**	43,260	43,961
Marubeni Corporation	9,201	11,501
Saskatchewan Power Savings Bond		
— Series I	53,211	55,189
— Series II	82,064	88,469
— Series III	79,972	—
The Saskatchewan Development Fund Act		
Guaranteed Investments	3,790	4,360
The Saskatchewan Mining Development Corporation Act		
Letter of Credit (U.S. Funds — Maximum of \$14,500,000 U.S.; \$52,000,000 U.S., 1986)	4,959	24,706
Marubeni Corporation (U.S. Funds — Maximum of \$70,000,000 U.S.)	—	3,559
Her Majesty in the Right of Canada	10,330	—
The Saskatchewan Oil and Gas Corporation Act		
Saskatchewan Oil Bonds	15,000	15,000
	509,558	465,613
<b>Other</b>		
The Agricultural Incentives Act		
Agricultural Incentives Loans	117	110
Agricultural Credit Corporation of Saskatchewan Operating Loans	732	84
The Agricultural Societies Act		
Loans to Exhibition Associations	1,069	1,253
The Co-operatives Guarantee Act		
Saskatchewan Co-op Credit Society — Loans to Co-operatives	649	235
The Family Farm Credit Act		
Co-op Trust Company	199	272
The Farmer's Counselling and Assistance Act	34,901	20,267
The Feeder Associations Loan Guarantee Act	1,422	2,543
The Housing and Special Care Homes Act		
Senior Citizens Housing	1,416	1,492
The Industry and Commerce Development Act		
Loans to Small Business	1,163	1,306
	41,668	27,562
	\$551,226	\$493,175

\*\* The amount is net of \$1,740,062 which is Manalta's equity in the Sinking Fund administered by the Minister of Finance.  
(\$1,039,394 — 1986)

NOTE: The Province of Saskatchewan is contingently liable for interest accrued on the above items in addition to the amount shown.

**Government of the Province of Saskatchewan  
Combined Funds**

**Schedule 13**

**Summary of Public Debt Transactions**

March 31, 1987

(\$ Thousands)

	<i>Balance, Beginning of Year</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Exchange Rate Adjustment**</i>	<i>Balance, End of Year</i>
Debentures	\$ 5,965,624	\$ 1,760,981	\$ 172,729	\$ (159,320)	\$ 7,394,556
Treasury Bills	653,400	2,600,000	2,603,400	—	650,000
Promissory Notes	1,780,600	6,202,665	6,220,650	—	1,762,615
	\$ 8,399,624	\$ 10,563,646	\$ 8,996,779	\$ (159,320)	\$ 9,807,171

\*\*Reflects the difference in conversion values at March 31, 1986 and March 31, 1987 resulting from converting \$ U.S. debt into \$ Canadian.

## Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Consolidated Fund as at March 31, 1987 and the statements of Province's net debt, revenue and expenditure, loan, investment and deposit activity and financing and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

Short-term loans to crown entities include disbursements to Saskatchewan Property Management Corporation of \$181,993,000. It is inappropriate to include these disbursements as assets of the Consolidated Fund since their repayment depends upon future appropriations from the Consolidated Fund. Accordingly, these disbursements should be recorded as expenditures. If these disbursements had been recognized as expenditures, the short-term loans to crown entities would have been reduced by \$181,993,000 and excess of expenditure over revenue and Province's net debt would have been increased by \$181,993,000.

My auditor's report for the year ending March 31, 1986 contained a reservation that stated since the deficits of crown entities in the amount of \$135,550,000 were not funded by appropriations prior to March 31, 1986, the accounting policies required that the loans to the crown entities be written down in that year to recognize the loss. The financial statements disclose that the write-down of the loans to crown entities was recorded in the year ended March 31, 1987 rather than in the year ended March 31, 1986 when the write-down was required. If the write-down of the loans had been recognized in the proper accounting period, the loans to crown entities would have been reduced by \$135,550,000 and the Province's net debt increased by \$135,550,000 as at March 31, 1986. Further, the Province's net debt as at April 1, 1986 would have been increased by \$135,550,000 and the write-down of loans to crown entities for the year ended March 31, 1987 would be reduced by \$135,550,000.

In my opinion, except for the failure to record disbursements as expenditures as previously described and except for the effects of the failure to record the write-down of loans to crown entities in the proper accounting period as described in the preceding paragraph, these financial statements present fairly the financial position of the Consolidated Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 23, 1987, except as to  
Note 2(k), which is as of  
January 22, 1988.



W. G. Lutz, F.C.A.,  
Provincial Auditor.

# Government of the Province of Saskatchewan

## Consolidated Fund

### Statement of Financial Position

March 31, 1987

	(\$ Thousands)	
<b>Assets</b>	<b>1987</b>	<b>1986</b>
<i>Schedule</i>		
1 Cash and Short-Term Investments (Note 1d)	\$ (151,331)	\$ (38,483)
2 Short-Term Loans to Crown Entities (Note 1e)	332,517	159,825
3 Loans to Crown Entities (Note 1f)	6,264,149	6,171,638
4 Other Loans (Note 1g)	124,162	276,459
5 Other Investments (Note 1h)	19	1,224
<b>Total Assets</b>	<b>\$ 6,569,516</b>	<b>\$ 6,570,663</b>
<b>Liabilities and Province's Net Debt</b>		
Public Debt (Note 1i)		
6 Promissory Notes (Note 1i)	\$ 1,762,615	\$ 1,780,600
7 Treasury Bills (Note 1i)	650,000	653,400
8 Debentures (Note 1i)	7,394,556	5,965,624
9 Less: Sinking Funds (Note 1i)	(428,110)	(408,712)
	9,379,061	7,990,912
10 Amounts Payable to Crown Entities (Note 1j)	558,280	577,913
Conditional Receipts (Note 1k)	4,590	5,239
Total Liabilities	9,941,931	8,574,064
11 Contingencies (Note 2a)		
Province's Net Debt	(3,372,415)	(2,003,401)
<b>Total Liabilities and Province's Deficiency</b>	<b>\$ 6,569,516</b>	<b>\$ 6,570,663</b>

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Consolidated Fund

### Statement of Province's Net Debt

For the Year Ended March 31, 1987

(\$ Thousands)

	1987	1986
<b>Province's Net Debt, Beginning of Year</b>	<b>\$(2,003,401)</b>	\$(1,358,096)
Excess of Revenue Over Expenditure	<b>(1,303,970)</b>	(625,027)
Sinking Fund Earnings Retained in Sinking Funds	<b>2,452</b>	3,843
Write-off of Other Loans	—	(10)
Write-down of Other Investments	—	(537)
Write-down of Loans to Crown Entities	<b>(56,565)</b>	—
Write-down of Other Loans	<b>(10,931)</b>	(23,574)
<b>Province's Net Debt, End of Year</b>	<b>\$(3,372,415)</b>	\$(2,003,401)

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Consolidated Fund

### Statement of Revenue and Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

<b>Revenue</b>	<b>1987</b>	<b>1986</b>
<b>Provincial Taxes</b>		
Corporation Capital	\$ 48,256	\$ 30,530
Corporation Income	118,801	129,400
Fuel	31,541	30,723
Individual Income	692,079	627,870
Insurance	19,543	17,318
Mineral Acreage	3,367	3,353
Sales	356,597	374,296
Tobacco	78,584	70,392
Other Taxes	6,387	5,753
<b>Total Provincial Taxes</b>	<b>1,355,155</b>	<b>1,289,635</b>
<b>Receipts from Government Enterprises and Other Funds</b>		
Saskatchewan Heritage Fund Dividends (Note 2b)	200,000	725,000
Profits Transferred from Saskatchewan Housing Corporation	583	6,161
Saskatchewan Liquor Board Profits (Note 2c)	140,000	84,000
Other Receipts	6,097	5,039
<b>Total Receipts from Government Enterprises and Other Funds</b>	<b>346,680</b>	<b>820,200</b>
<b>Other Own Source Revenues</b>		
Fines, Forfeits and Penalties	8,846	7,152
Interest, Premium, Discount and Exchange	10,059	14,170
Privileges, Licences and Permits		
Lands, Forest, Game, Fur, Fisheries and Water	10,970	10,072
Motor Vehicles	61,255	60,281
Other	9,883	10,294
Sales, Services and Service Fees	40,627	64,033
Other Revenues	24,828	19,497
<b>Total Other Own Source Revenues</b>	<b>166,468</b>	<b>185,499</b>
<b>Receipts from Other Governments</b>		
Agricultural and Rural Development Act	326	538
Canada Assistance Plan	160,548	149,131
Department of Regional Industrial Expansion	1,131	531
Equalization Payment (Note 2d)	145,665	(22,913)
Established Programs Financing	409,307	445,063
Manpower Agreements	19,805	21,611
Statutory Subsidy	2,175	2,175
Other Federal Contributions	50,003	46,896
Other Receipts	10,505	8,930
<b>Total Receipts from Other Governments</b>	<b>799,465</b>	<b>651,962</b>
<b>Total Revenue</b>	<b>\$2,667,768</b>	<b>\$2,947,296</b>

(See Accompanying Notes)



# Government of the Province of Saskatchewan

## Consolidated Fund

### Statement of Revenue and Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

<i>Expenditure</i>	<i>1987</i>	<i>1986</i>
Advanced Education and Manpower	\$ 263,822	\$ 253,743
Agriculture	248,945	193,641
Consumer and Commercial Affairs	5,174	5,418
Co-operation and Co-operative Development	2,860	2,974
Culture and Recreation	21,667	18,827
Economic Development and Trade	9,375	7,774
Education	437,445	423,592
Employment Development Agency	203,592	102,098
Energy and Mines	11,761	11,090
Environment	7,296	7,172
Executive Council	11,904	6,877
Finance: Interest on Public Debt (Note 1/)	192,587	190,322
Other	28,814	38,960
Health	1,165,204	1,067,419
Highways and Transportation	223,194	216,329
Indian and Native Affairs Secretariat	2,583	2,423
Justice	112,417	104,776
Labour	10,558	10,170
Legislation	10,110	10,441
The Local Government Board	447	417
Local Government Finance Commission	234	416
Northern Affairs Secretariat	666	538
Parks and Renewable Resources	58,131	61,647
Provincial Auditor	3,504	3,587
Provincial Secretary	933	714
Public Service Commission	6,120	6,453
Revenue and Financial Services	135,630	121,646
Rural Development	55,391	53,811
The Saskatchewan Assessment Authority	4,731	5,678
Saskatchewan Crop Insurance Corporation	17,155	18,250
Saskatchewan Housing Corporation	45,937	33,510
Saskatchewan Library	8,225	7,822
The Saskatchewan Research Council	4,081	4,316
The Saskatchewan Water Corporation	25,930	24,715
Science and Technology	1,343	1,136
Social Services	355,669	340,577
Supply and Services	139,076	92,165
Department of Telephones	463	198
Tourism and Small Business	14,497	10,835
Urban Affairs	123,715	109,544
Women's Secretariat	552	302
<b>Total Expenditure</b>	<b>\$3,971,738</b>	<b>\$3,572,323</b>

<b>Excess of Expenditure over Revenue</b>	<b>\$1,303,970</b>	<b>\$ 625,027</b>
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(See Accompanying Notes)



# Government of the Province of Saskatchewan

## Consolidated Fund

### Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1987

(\$ Thousands)

	1987		1986	
	Disbursements	Receipts	Disbursements	Receipts
<b>Loans</b>				
Agricultural Credit Corporation of Saskatchewan	\$ 158,400	\$ 110,045	\$1,045,645	\$ —
Crown Investments Corporation of Saskatchewan	266,158	188,000	114,728	51,500
Potash Corporation of Saskatchewan	65,255	—	160,517	—
Saskatchewan Economic Development Corporation	26,000	—	—	23,500
Saskatchewan Mining Development Corporation	32,628	—	48,853	—
Saskatchewan Oil and Gas Corporation	—	—	—	25,000
Saskatchewan Power Corporation	241,111	174,826	212,507	9,637
Saskatchewan Telecommunications	32,598	13,283	—	7,793
Other	93,088	234,347	325,722	147,311
Total Loan Disbursements and Receipts	915,238	720,501	1,907,972	264,741
<b>Investments</b>				
Other	300	1,505	240	778
Total Investment Disbursements and Receipts	300	1,505	240	778
<b>Deposits</b>				
Crown Entities	464,120	444,487	909,291	1,101,163
Sinking Fund	20,238	19,682	20,749	20,193
Redemption of Sinking Funds	—	11,316	—	—
Conditional Receipts	648	—	928	—
Total Deposit Disbursements and Receipts	485,006	475,485	930,968	1,121,356
<b>Total Disbursements and Receipts</b>	<b>\$1,400,544</b>	<b>\$1,197,491</b>	<b>\$2,839,180</b>	<b>\$1,386,875</b>
<b>Total Excess of Disbursements Over Receipts</b>	<b>\$ 203,053</b>		<b>\$1,452,305</b>	

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Consolidated Fund

### Statement of Financing and Changes in Financial Position

For the Year Ended March 31, 1987

(\$ Thousands)

	1987	1986
<b>Cash Requirements</b>		
<i>Revenue and Expenditure</i>		
Expenditure	\$ 3,971,738	\$ 3,572,323
Revenue	2,667,768	2,947,296
	\$ 1,303,970	\$ 625,027
<i>Loan, Investment and Deposit</i>		
Disbursements	1,400,544	2,839,180
Receipts	1,197,491	1,386,875
	203,053	1,452,305
<b>Net Cash Requirement</b>	<b>1,507,023</b>	<b>2,077,332</b>
<i>Financing (Schedule 12)</i>		
Proceeds from Debt	10,563,646	6,940,974
Repayment of Debt	8,996,779	4,987,613
	1,566,867	1,953,361
<b>Net Increase (Decrease) in Cash, Short-Term Loans and Investments</b>	<b>59,844</b>	<b>(123,971)</b>
Cash, Short-Term Loans and Investments, Beginning of Year	121,342	245,313
<b>Cash, Short-Term Loans and Investments, End of Year</b>	<b>\$ 181,186</b>	<b>\$ 121,342</b>

(See Accompanying Notes)

# Government of the Province of Saskatchewan

## Consolidated Fund

### Notes to the Financial Statements

For the Year Ended March 31, 1987

#### 1. Significant Accounting Policies

##### General Policies

###### 1a. Reporting Entity

These financial statements have been prepared for the purpose of disclosing the state of the Consolidated Fund at March 31, 1987 and the results of its financial activities for the year then ended in accordance with the statutory authorities governing its operation.

The Consolidated Fund is the general fund of the Province into which all revenues over which the Legislative Assembly has power of appropriation flow, unless the Legislative Assembly directs otherwise. The Legislative Assembly has directed that certain revenue is to flow into other funds of the Province or to crown entities such as Provincial crown corporations, agencies, boards and commissions. The financial transactions relating to such other funds and crown entities are reflected only to the extent that their operations were financed by or contributed to the Consolidated Fund. Their accumulated surpluses or deficits are not included.

A variety of special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, and residual balances of these are maintained and reported separately from those of the reporting entity.

###### 1b. Basis of Accounting

The financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payments are made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

###### 1c. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt of the Province is the difference between recorded

liabilities minus assets and represents the difference between accumulated revenues and accumulated expenditures. Since revenues and expenditures only affect the net debt, financing activities and transactions which arise from the financing activities (lending and investing) only affect recorded assets and liabilities. Accordingly, transactions are recorded within three categories: Revenue and Expenditure, Lending and Investing, and Financing Activities.

##### • Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

##### • Revenue

Revenue includes revenues raised through taxation, premiums, fees, licences and permits, receipts from the Federal government under fiscal arrangements and shared-cost programs, income from investments and dividends or transfers from other funds and accounting gains on the sale of certain agricultural lands.

##### • Expenditure

Expenditure includes payments for goods and services, salaries, transfer payments to individuals, municipalities and institutions, subsidies and grants, interest on public debt and lease payments to the Saskatchewan Property Management Corporation for accommodations, furnishings and equipment. Payments for the acquisition of those fixed assets, which are not leased from the Property Management Corporation, are also charged to expenditure.

##### • Lending and Investing

These transactions result from lending and investing functions which include the Province's lending and investing activity in various crown entities, other organizations and individuals, and the administration of funds held for certain crown entities.

##### • Financing Activities

Financing activities are the borrowing and repayment transactions of the province and include the borrowing on behalf of various crown entities.

##### • Assets and Liabilities

The majority of the assets and liabilities recorded in the statements are a result of the intermediary activity of borrowing on behalf of various crown entities. In general terms assets will consist of cash, short-term investments, and loans to or investments in crown entities and other organizations and individuals.

# Government of the Province of Saskatchewan

## Consolidated Fund

### Notes to the Financial Statements — (Continued)

#### 1. Significant Accounting Policies — (Continued)

##### General Policies — (Concluded)

##### 1c. Classification of Financial Transactions — (Concluded)

The Saskatchewan Property Management Corporation, established on March 25, 1986, is responsible for certain aspects of capital asset management including the acquisition, maintenance and disposal of accommodations, furnishings and equipment for the government. These services are provided to government departments on a lease basis. Other capital assets are treated as expenditure in the year of purchase.

Liabilities consist of promissory notes, treasury bills and debentures to be repaid to outside parties and amounts that are due to provincially created crown entities.

##### • Revolving Fund Transactions

Various revolving funds have been established to provide services to the Province or the public. Each of these have statutory authority to make payments out of The Consolidated Fund for the provision of specified services.

Except for transactions relating to loans and advances to third parties, any net cash expenditure on behalf of a revolving fund is classified as an expenditure. Any net cash revenue is classified as a reduction in expenditures. Loans and advances to third parties are classified as lending and investment transactions, and any amounts outstanding are shown as an asset.

#### Specific Policies

##### 1d. Cash and Short-Term Investments

##### • Cash

Cash recorded is the balance on hand in the Consolidated Fund at March 31, adjusted in accordance with the modified cash basis of accounting as described in Note 1b.

##### • Short-Term Investments

Short-term investments represent those investments purchased under authority of *The Department of Finance Act, 1983*.

These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

##### 1e. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

Interest received on short-term loans is applied to offset the interest paid on the Province's share of public debt.

##### 1f. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, The Saskatchewan Heritage Fund, boards and commissions and generally have fixed terms of repayment.

Loans are valued at cost. Loans in foreign currency are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

Where the Province obtains the funds for making the loans through issuing of debentures, the crown entities are required to provide the funds to repay debt. Where sinking fund requirements are attached to the underlying debt issue, crown entities must reimburse the Province for payments made to the sinking fund. Accordingly, the crown entities equity (i.e. contributions and earnings) in the sinking funds reduce the recorded value of loans.

Interest received from crown entities is offset against the Province's interest expense in debt issues.

##### 1g. Other Loans

Other loans are subject to a variety of interest rates and terms of repayment. The loans to the Cow-Calf-to-Finish Plan, Feeder Finish Plan and the Saskatchewan Hog Assured Returns Program are interest-bearing except for an amount of \$13,127,000 relating to the 50 Purchased Feeders Option under the Cow-Calf-to-Finish Plan.

Other loans are carried at cost and will be revalued when it becomes evident that they are uncollectible. Any write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

##### 1h. Other Investments

The investments are valued at cost and will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged to equity.



# Government of the Province of Saskatchewan

## Consolidated Fund

### Notes to the Financial Statements — (Continued)

#### 1. Significant Accounting Policies

— (Continued)

#### Specific Policies — (Continued)

##### 1i. Public Debt

Public debt represents obligations of the Province to outside parties arising from its borrowing activities to finance the Province's operations or to finance loans to crown entities. Public debt consists of promissory notes, treasury bills and debentures.

##### • Borrowing on Behalf of Crown Entities

Where the Province performs the intermediary function of borrowing on behalf of crown entities, the funds required to repay the principal amount of the debt attributable to these entities are reimbursed by them.

Because this debt is reimbursable, interest received from the crown entities is offset against the interest paid on the debt.

All debentures due in foreign currency will be repaid when due by these entities in requisite amounts. For reporting purposes, all debentures due in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

##### • Investment in Agricultural Land

Debt acquired for the purpose of financing the Investment in Agricultural Land now held by the Saskatchewan Heritage Fund but formerly held by the Saskatchewan Land Bank Commission is considered to be fully reimbursable from the proceeds from the sale of the Agricultural Lands to be received by the Saskatchewan Heritage Fund. The interest paid on the public debt which is considered to be fully reimbursable from the lease fee revenue on the lands, received in the Farm Purchase Program Fund, is offset against the interest paid on the debt. To the extent lease fees are insufficient for this purpose, an appropriation of funds from the Saskatchewan Heritage Fund is made to cover the deficiency.

The balance of the public debt is borrowed for the purpose of the Province. The interest paid on this portion is shown as Interest on Public Debt under the Department of Finance in the Statement of Revenue and Expenditure.

##### • Promissory Notes

Promissory notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term loans to crown entities.

Promissory notes are carried at the face value.

##### • Treasury Bills

Treasury bills are issued to cover temporary insufficiencies of the Consolidated Fund.

Treasury bills are carried at par.

##### • Debentures

Debentures are issued to finance activities of the Province and for funding long-term loans to crown entities.

Debentures are carried at par. In the year in which debentures are issued, discounts are charged to expenditure and any premiums are recorded as revenue. Where borrowing is made to finance loans to crown entities, all expenses including discounts are charged directly to the crown entities and premiums are paid to the crown entities.

Many public debentures issued require payments into a sinking fund in accordance with the Sinking Fund Policy.

Repayments of principal where sinking funds are not required directly reduce the liability.

##### • Sinking Funds

The Province has a general sinking fund into which payments are made on most public debenture issues. Annual payments to the general sinking fund under this policy have been based on 1% or 1½% of the principal amount outstanding of the applicable debenture issued. The Province requires that it be reimbursed by crown entities for all sinking fund payments made on debt incurred on behalf of crown entities. Notwithstanding this requirement, the Province assumes direct responsibility for all payments to sinking funds.

Sinking fund monies are invested in Province of Saskatchewan debentures, other provincial government or provincial government guaranteed securities, Federal Government or Federal Government guaranteed securities, or high grade Canadian municipal securities until such time as the monies are required for retirement of debt. Sinking fund monies are subject to noncash calculations regarding earnings in accordance with the following accounting policies.

- Interest income is recorded on an accrual basis.
- Premium/discount on long-term investments is amortized by type of security to maintain a constant yield over the life of the investment.
- Gains/losses on the sale of long-term investments are recognized in the period the sale was transacted.

Earnings of the sinking funds are retained within the sinking funds and, accordingly, are not recorded as revenue but are credited directly to equity.



# Government of the Province of Saskatchewan Consolidated Fund

## Notes to the Financial Statements — (Continued)

### 1. Significant Accounting Policies — (Concluded)

#### Specific Policies — (Concluded)

##### 1j. Amounts Payable to Crown Entities

These represent amounts held on deposit in the Consolidated Fund on behalf of certain crown entities at no interest.

##### 1k. Conditional Receipts

The Province receives funds for which the ultimate disposition is not immediately known or which is subject to some future action beyond the control of the payor. These funds are deposited to the credit of a liability account entitled "Conditional Receipts". The balance reflected is that for such funds held as at March 31.

##### 1l. Interest on Public Debt

Interest on public debt includes interest paid by the Province on promissory notes, treasury bills and debentures but does not include interest on public debt borrowed by the Province on behalf of crown entities (Notes 1e, 1f, 1i).

## 2. Additional Information

### 2a. Contingencies

#### • Guaranteed Debt

The Province has explicitly guaranteed the repayment of the principal and interest of certain bonds, debentures and loans of various organizations including crown entities. The total principal portion of all guaranteed debt at March 31 was \$551,226,000 (\$493,175,000 at March 31, 1986).

The guaranteed debt is not a recorded liability until conditions exist or events occur which would require the Province to assume the repayment of the debt. At March 31, there were no organizations in receivership whose debt had been guaranteed.

#### • Litigation Matters

The Province has a contingent liability in respect of a claim filed by the Cumberland House Local Community, the Village of Cumberland House and Cumberland Fisherman's Co-op Ltd., against the Saskatchewan Power Corporation and the Government of Saskatchewan. The plaintiffs are claiming \$200 million in damages resulting from the losses they allege they will suffer as a result of the

construction and operation of the Squaw Rapid Dam. The outcome of this action is uncertain and the likely loss to the Province, if any, cannot be determined.

The Province has also been named in a claim filed by Chief Myles Venne on behalf of the members of the Lac La Ronge, James Roberts and Amos Charles Indian Bands against the Government of Canada and Government of Saskatchewan. The claim is for approximately 250,000 acres of land in Saskatchewan based on entitlement under Treaty No. 6. The outcome of this action is uncertain and the likely loss to the Province, if any, cannot be determined.

The Province is also named as defendant in various other legal actions, in excess of \$1,000,000 totalling approximately \$42.0 million. The outcome of these actions are uncertain and the likely loss to the Province, if any, cannot be determined.

#### • Crop Reinsurance Fund of Saskatchewan

The Province of Saskatchewan is liable for funding any deficiency arising in the Crop Reinsurance Fund of Saskatchewan. As at March 31, 1987, the Crop Reinsurance Fund of Saskatchewan had a \$54.8 million deficit as a result of crop insurance claims in excess of the accumulated surplus of the Saskatchewan Crop Insurance Corporation — Insurance Operation and the Crop Reinsurance Fund of Saskatchewan. The likelihood of payment to the Saskatchewan Crop Reinsurance Fund is dependent upon the future level of claims in relation to premiums and, therefore, is not determinable at this time.

#### 2b. Saskatchewan Heritage Fund Dividends

The Consolidated Fund receives fund dividends from the Saskatchewan Heritage Fund as made available by an annual appropriation in the Saskatchewan Heritage Fund. Payments are made upon the direction of the Minister of Finance.

#### 2c. Saskatchewan Liquor Board Profits

The Consolidated Fund receives a portion of the profits of the Saskatchewan Liquor Board as determined from time to time by Treasury Board.

#### 2d. Equalization Payment

Contained in receipts from other governments is a reduction to revenue of \$22,913,000 for an equalization payment to the Federal Government resulting from an amendment to its calculation of equalization payments which occurred subsequent to March 31, 1982.

The amendment resulted in the Province being overpaid by \$117,400,000 in total. By agreement with the Federal Government, this amount was repaid through reduction of other federal transfer payments over a five year period ending March 31, 1987.

# Government of the Province of Saskatchewan

## Consolidated Fund

### Notes to the Financial Statements — (Continued)

#### 2. Additional Information

##### — (Continued)

##### 2e. Overcommitments

The Province of Saskatchewan uses the modified cash basis of accounting. Under this method, accounts receivable or payable are not recorded.

There is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

Five departments overcommitted their appropriations by a total of \$230,927 at March 31, 1987:

	(\$ Thousands)
Energy and Mines	\$ 55
Justice	123
Legislation	24
Local Government Board	1
Saskatchewan Library	28
	<u>\$ 231</u>

The overcommitted figure reflects the amount by which expenditures plus accounts payable exceed the estimates adjusted for special warrants and virements.

Accounts payable are defined to be a debt for goods or services received by a department prior to March 31 and which remain unpaid at April 30.

##### 2f. Significant Long-Term Obligations

The Province entered into a lease agreement with Saskatchewan Government Insurance in 1981 to lease an office building in Prince Albert, Saskatchewan for a term of 30 years ending on April 30, 2011. The lease requires annual payments of approximately \$1.6 million.

Obligations under this lease agreement are treated as expenditures as paid.

##### 2g. Saskatchewan Property Management Corporation

The Province established the Saskatchewan Property Management Corporation at March 25, 1986.

The Province sold to the Corporation its work-in-progress at March 25, 1986, on certain capital projects undertaken by Supply and Services. The Sale for \$23,881,000 is reflected as "Sales, Services and Service Fees" revenue in the Statement of Revenue and Expenditure for the year ended March 31, 1986.

In addition, the Province was reimbursed an amount of \$53,111,000 by the Corporation for grants paid to certain hospitals (Department of Health —

\$34,457,000) and universities (Department of Advanced Education and Manpower — \$18,654,000) in 1985-86. The amounts reimbursed were reflected as reductions of expenditures for the departments.

The Province paid approximately \$33,514,000 to the Saskatchewan Property Management Corporation in 1986-87. The Province paid approximately \$2,511,000 from the Consolidated Fund subject to such approval required by applicable legislation, on behalf of Crown agencies or third parties in amounts equal to annual installments of principal and interest, on loans, according to the terms of various tripartite agreements. The Saskatchewan Property Management Corporation finances the construction of capital projects for these agencies. \$20,950,000 was paid to provide funding to various school board construction projects. Approximately \$7,638,000 was paid as lease payments for accommodation, furnishing and equipment. Approximately \$2,415,000 was paid to provide funding for other capital projects.

During 1986-87, the Province transferred to the Saskatchewan Property Management Corporation certain assets at no cost. Saskatchewan Property Management Corporation has valued these assets at approximately \$89,318,000, subsequent to March 31, 1987 an additional \$366,300,000 of net assets were transferred to Saskatchewan Property Management Corporation at no cost.

##### 2h. Superannuation

For certain pension plans the Province pays, out of Consolidated Fund, part of the benefits and/or is responsible for any deficiency arising when the benefits exceed the assets available in the funds.

The following is a brief description of these plans:

##### • Public Service Superannuation Plan

This is an unfunded plan. All employee contributions are recorded as revenue of the Consolidated Fund, and all payments required are recorded as expenditures of the Consolidated Fund.

##### • Public Employees (Government Contributory) Superannuation Fund

This is a funded plan, with employee contributions being matched by the Province. A separate fund is maintained receiving all contributions, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

# Government of the Province of Saskatchewan

## Consolidated Fund

### Notes to the Financial Statements — (Continued)

#### 2. Additional Information

##### — (Continued)

#### 2h. Superannuation — (Continued)

##### ● Public Employees (Government Contributory) Annuity Fund

In 1985-86 The Superannuation (Supplementary Provisions) Act was amended creating the Public Employees (Government Contributory) Annuity Fund. The related assets and accumulated balances of members who have chosen this annuity option are transferred to the annuity fund from the Public Employees (Government Contributory) Superannuation Plan and all annuities are paid out of the Fund. Upon retirement, an employee is entitled to receive a guaranteed life annuity provided by the amount standing to his credit in the Fund at the time.

##### ● Teachers' Superannuation Fund

Teacher contributions are paid into a separate fund, with allowances and benefits being made from the fund. Teacher contributions on and after July 1, 1980 are matched by the Province, with these monies also being paid into the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when retirement benefits and allowances exceed the assets available in the fund.

##### ● Teachers' Annuity Fund

This is a funded plan for teachers who had never taught in the provincial school system prior to July 1, 1980 and enter the school system after that date. Teacher contributions are matched by the Province. Contributions are paid into a separate fund, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

##### ● Teachers' Supplementary Allowances Fund

This fund was created in conjunction with the Teachers' Annuity Fund. A designated portion of contributions made by teachers into the Annuity Fund is paid into the Teachers' Supplementary Allowances Fund for the purpose of increasing allowances for cost of living and to pay survivor benefits to dependents of teachers. Teacher contributions are matched by the Province. The Province's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, the Province has no residual obligation.

##### ● Members of the Legislative Assembly Superannuation Fund

This is a funded plan, with employee contributions being matched by the Province. The Province also

contributes an annual payment and any other amounts that may be appropriated. Contributions are paid into a separate fund, with allowances and refunds being made from the fund. The Province's contribution is recorded as an expenditure of the Consolidated Fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

##### ● Judges of the Provincial Court Superannuation Fund

Employee contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

Annuities and allowances made under The Magistrates Court Act (repealed) are also paid out of the Judges of the Provincial Court Superannuation Fund. Employees do not make contributions. The Consolidated Fund reimburses the Judges of the Provincial Court Superannuation Fund for all payments to superannuates.

##### ● Anti-Tuberculosis League Employees Superannuation Fund

Employee contributions are matched by The Saskatchewan Anti-Tuberculosis League. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when the benefits exceed the assets available in the fund.

##### ● Saskatchewan Transportation Company Employees Superannuation Fund

Employee contributions are matched by The Saskatchewan Transportation Company. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. The Province is responsible for any deficiency arising when benefits exceed the assets available in the fund.

##### ● Saskatchewan Pension Plan

In 1986-87, the Province created the Saskatchewan Pension Plan, which is voluntary and open to all residents of the Province of Saskatchewan who are between the ages of 18 and 65. The Province matches contribution of the members on the basis of an income related formula to a maximum of \$300 annually.

The Province's contributions are recorded as an expenditure of the Consolidated Fund. Benefits are based on accumulated contributions to the fund. Accordingly, the Province has no residual obligation except for any amounts required to supplement the fund for the guaranteed minimum pension to members who retire during the first ten years of the plan. The minimum pension is limited to \$15 per month for each year of contribution to the plan.



# Government of the Province of Saskatchewan

## Consolidated Fund

### Notes to the Financial Statements — (Concluded)

#### 2. Additional Information

##### — (Concluded)

#### 2h. Superannuation — (Concluded)

The following is a summary of the unfunded liability in respect of these pension plans as indicated in the most recent actuarial reports:

	(\$ Thousands)		
	<i>Date of Report</i>	<i>Liability As At</i>	<i>Unfunded Liability</i>
Public Service Superannuation Plan	Nov./86	Mar./86	\$ 646,615
Public Employees (Government Contributory) Superannuation Plan			N/A
Teachers' Superannuation Fund	Nov./86	June/86	1,279,000
Teachers' Annuity Fund			N/A
Teachers' Supplementary Allowances Fund			N/A
Members of the Legislative Assembly Superannuation Fund	Jan./87	Mar./86	15,696
Judges of the Provincial Court Superannuation Fund	Jan./83	Jan./83	6,330
Anti-Tuberculosis League Employees Superannuation Fund	Jan./85	Mar./84	1,238
Saskatchewan Transportation Company Employees Superannuation Fund	Jan./85	Mar./84	3,816
Saskatchewan Pension Plan			N/A
			\$1,952,695

#### 2i. Comparative Information

Certain of the 1986 figures have been reclassified to conform with the current year presentation, however, with regard to expenditures of the prior year, the figures are reported on the same basis as the Estimates of the prior year.

#### 2j. Legal Defeasance

During 1986-87, the Province advanced to Saskatchewan Power Corporation \$89.3 million, due December 30, 2004, bearing an interest rate of 9 5/8% per annum. Saskatchewan Power Corporation completed a legal defeasance of this Advance by placing a promissory note receivable with identical terms to the Advance into an irrevocable trust to be used solely for satisfying the principal and interest payments on the Advance. The promissory note is receivable from an unrelated third party and is guaranteed by the Province of Saskatchewan under

a previous agreement. Although the Province has accepted the promissory note as full and final satisfaction of the Advance, the promissory note remains in the irrevocable trust. Accordingly, these financial statements will continue to reflect a receivable from the Saskatchewan Power Corporation Trust until such time as all claims against the Trust are extinguished. This receivable is included in loans to Saskatchewan Power Corporation as detailed on Schedule 3 — Loans to Crown Entities.

#### 2k. Subsequent Event

Subsequent to March 31, 1987 the Potash Corporation of Saskatchewan repaid its loans to the Consolidated Fund using funds provided by Crown Investments Corporation. The Consolidated Fund provided loans to Crown Investments Corporation for these purposes.

***Government of the Province of Saskatchewan  
Consolidated Fund***

***Schedule 1***

***Cash and Short-Term Investments***

*March 31, 1987*

	(\$ Thousands)	
	1987	1986
Cash (Overdraft)	\$ (151,331)	\$ (93,648)
Short-Term Investments	—	55,165
	<b>\$ (151,331)</b>	<b>\$ (38,483)</b>

The market value of the Short-Term Investments at March 31, 1986 was \$55,165,000.

***Government of the Province of Saskatchewan  
Consolidated Fund***

***Schedule 2***

***Short-Term Loans to Crown Entities***

*March 31, 1987*

	(\$ Thousands)	
	1987	1986
Crown Investments Corporation of Saskatchewan	\$ 40,200	\$ 79,449
Municipal Financing Corporation of Saskatchewan	22,000	3,000
Potash Corporation of Saskatchewan	50,000	—
Saskatchewan Economic Development Corporation	7,024	44,300
Saskatchewan Power Corporation	20,000	30,000
Saskatchewan Government Printing Company	2,100	2,176
Saskatchewan Mining and Development Corporation	6,700	900
Saskatchewan Property Management Corporation	181,993	—
Saskatchewan Water Corporation	2,500	—
	<b>\$332,517</b>	<b>\$159,825</b>



# Government of the Province of Saskatchewan

## Consolidated Fund

### Schedule 3

#### Loans to Crown Entities

March 31, 1987

(\$ Thousands)

	1987			1986	
	Principal Amount Outstanding		Equity in Sinking Funds	Ending Balance	Ending Balance
	Gross	Net		Gross	Net
Agricultural Credit Corporation of Saskatchewan		\$1,263,843	\$ —	\$1,263,843	\$1,215,488
Crown Investments Corporation of Saskatchewan	\$ 705,649			\$ 627,490	
Less: Provision for Loss	56,565	649,084	—	—	627,490
Municipal Financing Corporation of Saskatchewan		54,724	—	54,724	54,723
Potash Corporation of Saskatchewan		523,734	—	523,734	484,782
Saskatchewan Economic Development Corporation		50,647	—	50,647	24,647
Saskatchewan Heritage Fund		184,436	—	184,436	184,436
Saskatchewan Housing Corporation		317,304	—	317,304	317,304
Saskatchewan Mining Development Corporation		551,617	—	551,617	555,056
Saskatchewan Power Corporation		2,296,209	279,738	2,016,471	2,046,938
Saskatchewan Telecommunications		760,510	110,126	650,384	657,669
Saskatchewan Water Corporation		14,876	12,971	1,905	3,105
		\$6,666,984	\$ 402,835	\$6,264,149	\$6,171,638

# Government of the Province of Saskatchewan

## Consolidated Fund

### Schedule 4

#### Other Loans

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Advanced Education and Manpower</b>		
Student Loan Program	\$ 17,806	\$ —
<b>Agriculture</b>		
South Saskatchewan River Irrigation Projects		
Acquisition and Improvements of Lands for Resale	365	436
Loans to Farm Operators for Land Improvement	49	60
<b>Co-operation and Co-operative Development</b>		
Canadian Co-operative Implements Limited	\$ 2,450	\$ 2,450
Less: Provision for Doubtful Accounts	2,450	—
Canora District Seed Cleaning Co-operative Limited	—	4
Highland Curling Club Co-operative Limited	—	46
Hudson Bay Dehydrators Mutual Limited	57	62
<b>Education</b>		
School Loans	189	328
<b>Finance</b>		
Receiver General for Canada (Postage Deposit)	250	250
Treasury Advances	524	534
University of Saskatchewan	2,242	2,249
Less: Equity in Sinking Fund	811	705
<b>Health</b>		
University Hospital Board	706	772
<b>Revenue and Financial Services</b>		
Payroll — Holiday Advance	1	—
<b>Tourism and Small Business</b>		
Economic Development Loans	8,828	7,414
Less: Provision for Doubtful Accounts	1,612	1,008
<b>Urban Affairs</b>		
Agricultural Service Centres Agreement — Shareable	4,394	4,719
Employment Loans Program — Federal-Provincial	675	748
Loans to Industrial Towns	170	252
Loans to Municipalities Pursuant to Downtown Development Agreements	5,593	4,812
Loans to Municipalities Under The Municipal Development and Loan (Saskatchewan) Act	907	1,339
Winter Works Employment Program — Federal-Provincial	3,668	4,107
Winter Works Employment Program — Provincial	798	890
Urban Loan Assistance Program	128	—
<b>Crop Insurance Corporation</b>		
Loans to cover crop insurance claims pursuant to an agreement between the Federal and Provincial Governments	79,235	249,150
<b>Saskatchewan Agricultural Returns Stabilization Fund</b>		
Loans	81,509	71,182
Less: Provisions for Loss	81,509	71,182
	<b>\$124,162</b>	<b>\$276,459</b>

# Government of the Province of Saskatchewan Consolidated Fund

## Schedule 5

### Other Investments

March 31, 1987

	(\$ Thousands)	
	1987	1986
Credit Union Central	\$ —	\$1,195
Investments in Co-operatives:		
Hudson Bay Dehydrators Mutual Limited	4	4
Lake Lenore Seed Cleaning Co-operative Limited	—	10
Paradise Hill Seed Cleaning Co-operative Limited	15	15
	\$ 19	\$1,224

# Government of the Province of Saskatchewan Consolidated Fund

## Schedule 6

### Promissory Notes

March 31, 1987

	(\$ Thousands)	
<i>Maturity</i>	1987	1986
1986-87	\$ —	\$1,680,600
1987-88	1,762,615	100,000
	\$1,762,615	\$1,780,600

### Issued for the purpose of:

	1987	1986
Province	\$ 394,498	\$ 317,130
Crown Entities	1,368,117	1,463,470
	\$1,762,615	\$1,780,600

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)			
	1987		1986	
	<i>Amount Outstanding</i>	<i>Weighted Average Years to Maturity (years)</i>	<i>Amount Outstanding</i>	<i>Weighted Average Interest Rate (per cent.)</i>
Promissory Notes	\$1,762,615	.23	\$1,780,600	10.988

***Government of the Province of Saskatchewan  
Consolidated Fund***

***Schedule 7***

***Treasury Bills***

March 31, 1987

	(\$ Thousands)	
<b><i>Maturity</i></b>	<b><i>1987</i></b>	<b><i>1986</i></b>
1986-87	\$ —	\$653,400
1987-88	650,000	—
	<b>\$650,000</b>	<b>\$653,400</b>

<b><i>Issued for the purpose of:</i></b>	<b><i>1987</i></b>	<b><i>1986</i></b>
Province	<b>\$650,000</b>	\$651,000
Crown Entities	—	2,400
	<b>\$650,000</b>	<b>\$653,400</b>

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)				
	1987			1986	
	<b><i>Amount Outstanding</i></b>	<b><i>Weighted Average Years to Maturity (years)</i></b>	<b><i>Weighted Average Interest Rate (per cent.)</i></b>	<b><i>Amount Outstanding</i></b>	<b><i>Weighted Average Interest Rate (per cent.)</i></b>
Treasury Bills	<b>\$650,000</b>	<b>.11</b>	<b>7.469</b>	\$653,400	10.666

# Government of the Province of Saskatchewan Consolidated Funds

## Schedule 8

### Debentures

March 31, 1987

(\$ Thousands)

					1987	1986
<i>Year of Maturity</i>		<i>Canadian Dollar Debt</i>	<i>United States Dollar Debt (U.S. Dollars)</i>	<i>United States Dollar Debt (Can. Dollars)</i>	<i>Total (Canadian Dollars)</i>	<i>Total (Canadian Dollars)</i>
(a)	1986-87	\$ —	\$ —	\$ —	\$ —	\$ 201,842
(b)	1987-88	235,258	77,663	101,358	336,616	343,763
	1988-89	371,971	236,300	308,395	680,366	701,798
(c)	1989-90	468,024	185,000	241,444	709,468	507,847
(d)	1990-91	331,703	158,850	207,315	539,018	503,460
(e)	1991-92	443,030	325,000	424,157	867,187	—
<i>1-5 years</i>		1,849,986	982,813	1,282,669	3,132,655	2,258,710
(a, e)	6-10 years	1,329,756	196,452	256,390	1,586,146	1,016,806
	11-15 years	764,523	—	—	764,523	718,316
	16-20 years	1,370,726	125,000	163,137	1,533,863	1,397,180
	21-25 years	50,548	250,000	326,275	376,823	573,946
(f)	26-30 years	546	—	—	546	666
		\$ 5,366,085	\$ 1,554,265	\$ 2,028,471	\$ 7,394,556	\$ 5,965,624

The debentures in U.S. dollars have been converted to Canadian Dollars at the exchange rate in effect at March 31, 1987 (\$1.3051) and March 31, 1986 (\$1.3958).

Note (a) Includes \$2,089,000 of original \$150,000,000 debentures maturing April 1, 1986. The remaining debentures totalling \$147,911,000 were extended to April 1, 1996.

(b) Includes \$77,662,684, U.S., maturing March 1, 1988. The original issue of 150,000,000, 7 3/8%, Swiss franc debentures converted by forward contract to \$77,662,684 U.S.

(c) Includes \$53,200,000, Canadian, maturing November 15, 1989. The original issue of 40,000,000, 11 7/8% U.S. dollar debentures converted by forward contract to \$53,200,000 Canadian.

Includes \$56,027,073 Canadian maturing March 28, 1990. The original issue of 10,000,000,000, 7.4% Yen debentures, with semi-annual interest payments converted by forward contract to \$56,027,073, Canadian, with annual interest payments and an effective interest rate of 9.53%.

(d) Includes \$73,637,703, Canadian maturing November 27, 1990. The original issue of 15,000,000,000 Yen converted by forward contract to \$73,637,703 Canadian.

(e) Includes \$133,550,000, Canadian, maturing March 1, 1992. The original issue of 100,000,000, 10 3/4% U.S. dollar debentures converted by forward contract to \$133,550,000 Canadian.

Includes \$46,452,384, U.S., maturing June 30, 1992. The original issue of 100,000,000, 6 1/4% Swiss franc debentures converted by forward contract to \$46,452,384, U.S.

Includes \$61,629,173, Canadian, maturing July 25, 1992. The original issue of 15,000,000,000 Yen converted by forward contract to \$61,629,173 Canadian.

Includes \$113,927,728, Canadian, maturing April 9, 1991. The original issue of 15,000,000,000, 7 1/2% Yen converted by forward contract to \$113,927,728, Canadian.

Includes \$81,806,282, Canadian, maturing May 29, 1993. The original issue of 10,000,000,000 6 1/4% Yen converted by forward contract to \$81,806,282, Canadian.

(f) Includes \$2,294,238, maturing December 1, 2015, payable in blended semi-annual payments of principal and interest totalling \$76,399. Prepayable in whole or in part any time prior to December 1, 2015, without penalty. The semi-annual principal repayments are included in the total debentures maturing each year.

(g) Debentures include \$1,460,423,000 (\$1,351,176,000 — March 31, 1986) of Canadian Pension Plan debentures which are subject to redemption on six months notice.



# Government of the Province of Saskatchewan

## Consolidated Funds

### Schedule 8

#### Debentures (Concluded)

March 31, 1987

The debentures were issued for the purpose of and are reimbursable from the following sources:

(\$ Thousands)		
	1987	1986
Agricultural Credit Corporation of Saskatchewan	\$ 328,243	\$ 169,843
Crown Investments Corporation of Saskatchewan	605,648	369,490
Municipal Financing Corporation of Saskatchewan	54,724	54,724
Potash Corporation of Saskatchewan	523,734	484,782
Saskatchewan Economic Development Corporation	50,647	24,647
Saskatchewan Heritage Fund: Investment in Agricultural Land	184,436	184,436
Saskatchewan Housing Corporation	317,304	317,304
Saskatchewan Mining Development Corporation	551,617	555,056
Saskatchewan Power Corporation	2,296,210	2,305,800
Saskatchewan Telecommunications	760,510	759,871
Saskatchewan Water Corporation	14,876	14,876
University of Saskatchewan	2,242	2,249
	5,690,191	5,243,078
Province's Share	1,704,365	722,546
	<b>\$7,394,556</b>	<b>\$5,965,624</b>

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

(\$ Thousands)						
	1987			1986		
	Amount Outstanding	As A Percentage of Total	Weighted Average Years to Maturity	Weighted Average Interest Rate	Amount Outstanding	Weighted Average Interest Rate
Public Debentures	\$5,926,734	80.2	8.16	10.842	\$4,606,264	11.625
Canada Pension Plan Debentures	1,460,423	19.7	12.24	10.641	1,351,176	10.649
Other Debentures	7,399	0.1	—	—	8,184	—
	<b>\$7,394,556</b>	<b>100.0</b>			<b>\$5,965,624</b>	

**Government of the Province of Saskatchewan  
Consolidated Fund**

**Schedule 9**

**Summary of Sinking Funds**

March 31, 1987

(\$ Thousands)

				1987	1986
	Province's Share	Crown Entities' Share	Other Enterprises' Share	Total	Total
<b>Balance, Beginning of year</b>	<b>\$ 32,772</b>	<b>\$375,235</b>	<b>\$ 705</b>	<b>\$408,712</b>	<b>\$353,205</b>
Contributions Made During the Year	556	19,647	35	20,238	20,749
Earnings in the Year	2,452	55,909	71	58,432	49,971
	35,780	450,791	811	487,382	423,925
Deduct: Funds Applied on Redemption	11,316	47,956	—	59,272	15,213
<b>Balance, End of Year</b>	<b>\$ 24,464</b>	<b>\$402,835</b>	<b>\$ 811</b>	<b>\$428,110</b>	<b>\$408,712</b>

**Government of the Province of Saskatchewan  
Consolidated Fund**

**Schedule 10**

**Amounts Payable to Crown Entities**

March 31, 1987

(\$ Thousands)

	1987	1986
Saskatchewan Liquor Board	<b>\$ 91,800</b>	<b>\$125,800</b>
Special Projects Fund	95	1,026
The Market Development Fund	285	245
Saskatchewan Heritage Fund	<b>466,100</b>	<b>450,842</b>
	<b>\$558,280</b>	<b>\$577,913</b>

# Government of the Province of Saskatchewan

## Consolidated Fund

### Schedule 11

#### Guaranteed Debt

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Crown Corporations</b>		
The Crown Corporations Act		
16 5/8% Deb. Maturing August 18, 1987	\$ 15,000	\$ 15,000
The Municipal Financing Corporation Act		
Guaranteed Debentures	57,000	59,000
Potash Corporation of Saskatchewan		
Royal Trust, London Life Lease	34,498	38,000
T.D., Mutual Life, London Life Lease	43,899	47,000
Royal Trust Lease	28,958	30,830
The Power Corporation Act		
I.A.C. Limited — Dragline Lease	28,416	29,038
Manalta Coal**	43,260	43,961
Marubeni Corporation	9,201	11,501
Saskatchewan Power Savings Bond		
Series I	53,211	55,189
Series II	82,064	88,469
Series III	79,972	—
The Saskatchewan Development Fund Act		
Guaranteed Investments	3,790	4,360
The Saskatchewan Mining Development Corporation Act		
Letter of Credit (U.S. Funds — maximum \$14,500,000 U.S.; \$52,000,000 U.S., 1986)	4,959	24,706
Marubeni Corporation (U.S. Funds — maximum \$70,000,000 U.S.)	—	3,559
Her Majesty in the Right of Canada	10,330	—
The Saskatchewan Oil and Gas Corporation Act		
Saskatchewan Oil Bonds	15,000	15,000
	<b>509,558</b>	<b>465,613</b>
<b>Other</b>		
The Agricultural Incentives Act		
Agricultural Incentives Loan	117	110
Agriculture Credit Corporation of Saskatchewan Operating Loans	732	84
The Agricultural Societies Act		
Loans to Exhibition Associations	1,069	1,253
The Co-operatives Guarantee Act		
Saskatchewan Co-op Credit Society — Loans to Co-operatives	649	235
The Family Farm Credit Act		
Co-op Trust Company	199	272
The Farmer's Counselling and Assistance Act	34,901	20,267
The Feeder Associations Loan Guarantee Act	1,422	2,543
The Housing and Special Care Homes Act		
Senior Citizens Housing	1,416	1,492
The Industry and Commerce Development Act		
Loans to Small Business	1,163	1,306
	<b>41,668</b>	<b>27,562</b>
	<b>\$551,226</b>	<b>\$493,175</b>

\*\* The amount is net of \$1,740,062 which is Manalta's equity in the Sinking Fund administered by the Minister of Finance.  
(\$1,039,394 — 1986)

NOTE: The Province of Saskatchewan is contingently liable for interest accrued on the above items in addition to the amount shown.

**Government of the Province of Saskatchewan  
Consolidated Fund**

**Schedule 12**

**Summary of Public Debt Transactions**

March 31, 1987

(\$ Thousands)

	<i>Balance, Beginning of Year</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Exchange Rate Adjustment**</i>	<i>Balance, End of Year</i>
Debentures	\$ 5,965,624	\$ 1,760,981	\$ 172,729	\$ (159,320)	\$ 7,394,556
Treasury Bills	653,400	2,600,000	2,603,400	—	650,000
Promissory Notes	1,780,600	6,202,665	6,220,650	—	1,762,615
	\$ 8,399,624	\$ 10,563,646	\$ 8,996,779	\$ (159,320)	\$ 9,807,171

\*\*Reflects the difference in conversion values at March 31, 1986 and March 31, 1987, resulting from converting \$ U.S. debt into \$ Canadian.

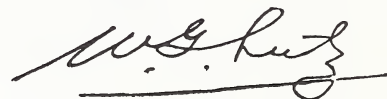
### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Heritage Fund as at March 31, 1987 and the statements of equity, revenue and expenditure, loan, investment and deposit activity, changes in financial position and cumulative provincial development expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Heritage Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 23, 1987.



W. G. Lutz, F.C.A.,  
Provincial Auditor.



# Saskatchewan Heritage Fund

## Statement of Financial Position

March 31, 1987

(\$ Thousands)

	1987				1986			
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total	Total	Total
<b>Assets</b>								
<i>Schedule</i>								
1 Cash and Short-Term Investments (Note 1d)	\$ —	\$ 1,283	\$ 7,138	\$ —	\$ 1,935	\$ 10,356	\$	\$ 46,005
2 Short-Term Loans to Crown Entities (Note 1e)	—	41,600	—	—	45,200	86,800		39,400
Amount Receivable From the Consolidated Fund (Note 1f)	413,453	27,844	—	21,451	3,352	466,100		450,842
3 Loans to Crown Entities (Note 1g) Loans and Sales Agreements (Note 1h)	48,216	2,448	—	—	—	50,664		57,497
4 Other Loans (Note 1i)	—	—	—	5,810	—	5,810		6,272
5 Investments in Crown Entities (Note 1j)	747,230	60,678	—	—	—	60,678		6,100
Investment in Agricultural Land and Related Assets (Note 1k)	—	—	—	157,175	—	157,175		159,307
6 Other Investments (Note 1l)	—	735	—	—	6,116	6,851		9,133
<b>Total Assets</b>	<b>\$1,208,899</b>	<b>\$ 134,588</b>	<b>\$ 7,138</b>	<b>\$ 184,436</b>	<b>\$ 56,603</b>	<b>\$1,591,664</b>		<b>\$1,521,786</b>

## Liabilities and Equity

Loan from the Consolidated Fund (Note 1m)	\$ —	\$ —	\$ —	\$ 184,436	\$ —	\$ 184,436		\$ 184,436
Equity (Note 2a)	1,208,899	134,588	7,138	—	56,603	1,407,228		1,337,350
<b>Total Liabilities and Equity</b>	<b>\$1,208,899</b>	<b>\$ 134,588</b>	<b>\$ 7,138</b>	<b>\$ 184,436</b>	<b>\$ 56,603</b>	<b>\$1,591,664</b>		<b>\$1,521,786</b>

(See Accompanying Notes)

# Saskatchewan Heritage Fund

## Statement of Equity

For the Year Ended March 31, 1987

(\$ Thousands)

	1987					1986
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Unallocated Equity, Beginning of Year	\$1,155,371	\$ 95,611	\$ —	\$ (14,402)	\$ 55,298	\$1,291,878
Excess of Revenue Over Expenditure, Net of Inter-divisional Transfers	55,361	—	643	14,518	1,305	71,827
Loss on Sale of Land	—	—	—	(116)	—	(116)
Write-down of Loans to Crown Entities	(1,833)	—	—	—	—	(1,833)
Transfer to Reserves	—	(3,906)	(643)	—	—	(4,549)
Unallocated Equity, End of Year	\$1,208,899	\$ 91,705	\$ —	\$ —	\$ 56,603	\$1,357,207
Reserves, Beginning of Year	—	38,977	6,495	—	—	45,472
Transfers to Reserves	—	3,906	643	—	—	4,549
Reserves, End of Year	—	42,883	7,138	—	—	50,021
Total Equity, End of Year	\$1,208,899	\$ 134,588	\$ 7,138	\$ —	\$ 56,603	\$1,407,228
(See Accompanying Notes)						\$1,337,350

(See Accompanying Notes)

# Saskatchewan Heritage Fund

## Statement of Revenue and Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

	1987					1986
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
<i>Revenue</i>						
Non-Renewable Resource Revenue	\$ 13,557	\$ —	\$ —	\$ —	\$ —	\$ 13,557
Coal	21,887	—	—	—	—	21,887
Natural Gas	212,926	—	—	—	—	212,926
Oil	—	—	—	—	—	—
Crude Oil Export Charge	36,982	—	—	—	—	36,982
Potash	1,085	—	—	—	—	1,085
Sodium Sulphate	17,807	—	—	—	—	17,807
Uranium	763	—	—	—	—	763
Other Non-Renewable Resources	305,007	—	—	—	—	305,007
Total Non-Renewable Resource Revenue						768,986
<i>Agricultural Lands Revenue</i>						
Land Sales	—	—	—	6,490	—	6,490
Lease Revenue	—	—	—	9,836	—	9,836
Interest and Other	—	—	—	1,174	—	1,174
Total Agricultural Lands Revenue	—	—	—	17,500	—	17,500
Investment Revenue	697	3,906	643	34	4,920	10,200
Other Revenues	—	—	—	—	43	43
Total Revenue Before Inter-divisional Transfers	305,704	3,906	643	17,534	4,963	332,750
Inter-divisional Transfers	(47,339)	859	—	46,480	—	—
Total Revenue, Net of Inter-divisional Transfers	\$258,365	4,765	643	64,014	4,963	332,750
						826,775

(See Accompanying Notes)

## Expenditure

Ordinary Fund Dividend to Consolidated Fund (Note 2b)	\$200,000	\$	—	\$	—	\$	—	\$	—	\$200,000	\$725,000
Compensation Payments for Oil Rights Acquired by the Crown	2,306	—	—	—	—	—	—	—	—	2,306	2,620
Interest on Refunds of Taxes	7	—	—	—	—	—	—	—	—	7	12
Grants for Petroleum and Natural Gas Exploration, Conservation, and Development	—	—	—	—	—	—	—	—	—	—	18,264
Grants Pursuant to the Canada-Saskatchewan Heavy Oil Agreement	—	207	—	—	—	—	—	—	—	207	232
Payments for Projects Pursuant to the Canada-Saskatchewan Heavy Oil and Fossil Fuel Research, Development and Demonstration Agreement	—	4,349	—	—	—	—	—	—	—	4,349	2,493
Payments Pursuant to the Canada-Saskatchewan Economic and Regional Development Agreement	558	—	—	—	—	—	—	—	—	558	444
Payments for Research and Development	—	—	—	—	—	—	—	—	—	—	2,227
Payments of Interest Rebates	—	—	—	—	—	—	—	—	—	2,680	17,827
Payments to Cover Deficiency of Land Bank Lease Fees in Meeting the Interest Costs Owed on Transferred Land Bank Land (Note 1m)	—	—	—	—	—	—	—	—	—	—	—
Payments Under Trust Certificates	133	—	—	—	—	—	—	—	—	9,025	8,271
Research Grants	—	42	—	—	—	—	—	—	—	133	231
Administrative Expenses of the Canada-Saskatchewan Heavy Oil Agreement, and Alternative Fuel Test Program	—	167	—	—	—	—	—	—	—	42	53
Grants for Agricultural Lessees' Share of Compensation and Rental Payments for Surface Leases	—	—	—	—	—	—	—	—	—	167	68
Grants Pursuant to the Canada-Saskatchewan Subsidiary Agreement on Advanced Technology Refunds Pursuant to the Farmers' Oil Royalty Refund Act	—	—	—	—	—	—	—	—	—	648	599
	—	—	—	—	—	—	—	—	—	978	604
	—	—	—	—	—	—	—	—	—	21,610	—
Total Ordinary Expenditure	203,004	4,765	—	49,496	—	3,658	—	260,923	—	778,945	—

# Saskatchewan Heritage Fund

## Statement of Revenue and Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

	1987				1986	
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
<i>Expenditure (Concluded)</i>						
Capital						
Provincial Development Expenditure	—	—	—	—	—	1,680
Total Expenditure	\$203,004	\$ 4,765	\$ —	\$ 49,496	\$ 3,658	\$260,923
Excess of Revenue Over Expenditure, Net of Inter-divisional Transfers	\$ 55,361	\$ —	\$ 643	\$ 14,518	\$ 1,305	\$ 71,827
						\$ 46,150

(See Accompanying Notes)



# Saskatchewan Heritage Fund

## Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1987

(\$ Thousands)

	1987				1986			
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total	Total	Total
<b>Receipts</b>								
Loans								
Potash Corporation of Saskatchewan	\$ 5,000	\$ —	\$ —	\$ —	\$ —	\$ 5,000	\$ 18,400	
Loans and Sale Agreements	—	—	—	618	—	618	837	
Investments								
Saskatchewan Oil and Gas Corporation	—	—	—	—	—	—	91,500	
Agricultural Land and Related Assets:								
Recovery of Investment	—	—	—	2,289	—	2,289	4,647	
Other	—	—	—	—	2,282	2,282	1,768	
Total Receipts	5,000	—	—	2,907	2,282	10,189	117,152	
<b>Disbursements</b>								
Other Loans								
NewGrade Energy Inc.	—	54,578	—	—	—	54,578	3,162	
Investments								
Agricultural Land and Related Assets	—	—	—	429	—	429	585	
Total Disbursements	—	54,578	—	429	—	55,007	3,747	
<b>Excess of Receipts Over Disbursements (Disbursements over Receipts)</b>	\$ 5,000	\$ (54,578)	\$ —	\$ 2,478	\$ 2,282	\$ (44,818)	\$ 113,405	

(See Accompanying Notes)

# Saskatchewan Heritage Fund

## Statement of Changes in Financial Position

For the Year Ended March 31, 1987

(\$ Thousands)

	1987					1986
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Cash, Short-Term Investments and Loans, and Amount Receivable from the Consolidated Fund, Beginning of Year	\$353,092	\$125,305	\$ 6,495	\$ 4,455	\$ 46,900	\$376,692
Revenue and Expenditure						
Revenue, Net of Inter-divisional Transfers	258,365	4,765	643	64,014	4,963	826,775
Expenditure	203,004	4,765	—	49,496	3,658	780,625
Excess of Revenue Over Expenditure, Net of Inter-divisional Transfers	55,361	—	643	14,518	1,305	46,150
Loan, Investment and Deposit						
Receipts	5,000	—	—	2,907	2,282	117,152
Disbursements	—	54,578	—	429	—	3,747
Excess of Receipts over Disbursements (Disbursements over Receipts)	5,000	(54,578)	—	2,478	2,282	113,405
Increase (Decrease) During the Year	60,361	(54,578)	643	16,996	3,587	159,555
Cash, Short-Term Investments and Loans, and Amount Receivable from the Consolidated Fund, End of Year	\$413,453	\$ 70,727	\$ 7,138	\$ 21,451	\$ 50,487	\$536,247

(See Accompanying Notes)

## Saskatchewan Heritage Fund

### Statement of Cumulative Provincial Development Expenditure

For the Year Ended March 31, 1987

(\$ Thousands)

	1987		1986	
	Current Year Expenditure	Cumulative Year Expenditure	Current Year Expenditure	Cumulative Year Expenditure
<b>Resource, Economic, and Industrial Development</b>				
Beauval — Pinehouse Development Road	\$ —	\$ 4,062	\$ —	\$ 4,062
Buffalo Narrows Causeway	—	2,532	—	2,532
Buffalo Narrows Northern Development Airport	—	2,631	—	2,631
Buffalo Narrows Northern Development Airport — Facilities	—	267	—	267
Cluff Lake Development Road	—	4,813	—	4,813
Forestry Development Roads	—	1,384	—	1,384
Interprovincial Steel and Pipe Corporation Ltd. — Plant Expansion	—	2,803	—	2,803
Key Lake Development Road	—	6,436	—	6,436
La Ronge Aircraft Maintenance Facility	—	2,261	—	2,261
Northern Highway No. 2	—	784	—	784
Northern Highway No. 105	—	548	—	548
Northern Highway No. 106	—	12,586	—	12,586
Northern Highway No. 155	—	5,394	—	5,394
Resource Research Facility — Saskatoon	—	3,684	—	3,684
Total Resource, Economic, and Industrial Development	—	50,185	—	50,185
<b>Health and Education</b>				
Grant to the Saskatchewan Cancer Foundation	—	1,025	—	1,025
Grant to the University Hospital — Capital	—	17,614	—	17,614
Institute of Applied Arts and Sciences — Prince Albert	—	2,071	—	2,071
Provincial Laboratory Building	—	162	—	162
Saskatchewan Rehabilitation Centre	—	741	—	741
Saskatchewan Technical Institute Expansion	—	6,874	—	6,874
Saskatoon Hospitals Construction Program	—	1,231	—	1,231
University of Saskatchewan — Engineering Building Construction	—	27,525	—	27,525
University of Saskatchewan — Geological Sciences Building Construction	—	1,650	—	1,650
University of Saskatchewan — Veterinary College Building Expansion	—	12,540	—	12,540
Total Health and Education	—	71,433	—	71,433
<b>Culture and Recreation</b>				
Moose Jaw Wild Animal Park Development	—	2,519	—	2,519
Parks Facilities Development	—	2,402	—	2,402
Parks Facilities Development — Cypress Hills	—	549	—	549
Restoration of Northwest Territorial Government Administration Building	—	688	—	688
Restoration of Saskatchewan House	—	4,487	—	4,487
Saskatchewan Archives Building	—	284	—	284
1979 Western Canada Summer Games Inc. — Athletic Field House Grant	—	1,750	—	1,750
Total Culture and Recreation	—	12,679	—	12,679

## *Saskatchewan Heritage Fund*

### *Statement of Cumulative Provincial Development Expenditure — (Concluded)*

*For the Year Ended March 31, 1987*

*(\$ Thousands)*

	1987		1986	
	<i>Current Year Expenditure</i>	<i>Cumulative Year Expenditure</i>	<i>Current Year Expenditure</i>	<i>Cumulative Year Expenditure</i>
<b>Municipal</b>				
Construction of Court Houses — Regina and Saskatoon	—	25	—	25
Grant to the City of Lloydminster for Water Supply Project	—	9,150	—	9,150
Grants Under the Community Capital Fund Program	—	69,106	1,680	69,106
Souris River Valley Project	—	137	—	137
Total Municipal	—	78,418	1,680	78,418
<b>Total Provincial Development Expenditure</b>	<b>\$ —</b>	<b>\$212,715</b>	<b>\$ 1,680</b>	<b>\$212,715</b>

(See Accompanying Notes)

# Saskatchewan Heritage Fund

## Notes to the Financial Statements

For the Year Ended March 31, 1987

### 1. Significant Accounting Policies

#### General Policies

##### 1a. Reporting Entity

These financial statements have been prepared for the purpose of disclosing the state of the Saskatchewan Heritage Fund at March 31, 1987 and the results of its financial activities for the year then ended in accordance with the statutory authorities governing its operation.

The Saskatchewan Heritage Fund is a special purpose fund established under *The Heritage Fund (Saskatchewan) Act* to receive all non-renewable resource revenues of the Province, revenues from certain agricultural lands, interest and dividends on loans and investments made by the Fund, and any gains on disposals of investments held by the Fund.

The Fund is comprised of five divisions: The Resources Division, the Energy Security Division, the Environmental Protection Division, the Agricultural Division, and the Research and Development Division. The Agricultural Division and the Research and Development Division were created April 1, 1983 by *The Heritage Fund (Saskatchewan) Amendment Act, 1983*.

##### 1b. Basis of Accounting

The financial statements of the Fund are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

##### 1c. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt of the Fund is the difference between recorded liabilities minus assets and represents the difference between accumulated revenues and accumulated expenditures. Since revenues and expenditures only

affect the net debt, transactions which arise from the financing activities (lending and investing) will affect recorded assets and liabilities. Accordingly, transactions are recorded within two categories in the Fund: Revenue and Expenditure and, Lending and Investing.

##### • Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

##### • Revenue

Revenue includes revenues raised through taxation and royalties from non-renewable resources, income from investments, lease revenues and accounting gains on the sale of certain agricultural lands.

##### • Expenditure

Expenditure includes payments for goods and services, grants, the acquisition or construction of fixed assets and Fund Dividends paid to the Consolidated Fund.

##### • Lending and Investing

These transactions result from lending and investing functions which include the Fund's lending and investing activity in various Crown Corporations and agencies, other organizations and individuals, and in Agricultural Land and Related Assets acquired for resale.

##### • Assets and Liabilities

In general terms assets of the Fund consist of cash and short-term investments, loans to or investments in crown entities and other organizations and individuals, and investment in Agricultural Land and Related Assets. Capital Assets are treated as an expenditure in the year of purchase.

Liabilities consist of a loan from the Consolidated Fund.



# Saskatchewan Heritage Fund

## Notes to the Financial Statements — (Continued)

### 1. Significant Accounting Policies — (Concluded)

#### Specific Policies

##### 1d. Cash and Short-Term Investments

###### • Cash

Cash recorded is the balance on hand at March 31, adjusted in accordance with the modified cash basis of accounting as described in note 1b.

###### • Short-Term Investments

Short-term investments represent those investments purchased under authority of The Heritage Fund (Saskatchewan) Act. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

##### 1e. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

##### 1f. Amount Receivable From the Consolidated Fund

This represents the balance of all cash transactions as held by the Consolidated Fund on behalf of the Fund, except for cash received from interest and dividends which is deposited directly into the Fund. No interest accrues on this balance.

##### 1g. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, boards and commissions and generally have fixed terms of repayment. With the exception of the Saskatchewan Grain Car Corporation, the loans are all interest bearing.

Loans are valued at cost. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan carried will be written down. All write-downs are charged directly to equity.

##### 1h. Loans and Sale Agreements

Loans and Sale Agreements represent loans to lessees, and amounts due on Sales Agreements for the sale of Agricultural Land and Related Assets less the unrealized gain in accordance with the accounting policy which provides that gains are

included in revenue but are only recorded when cash is received. At March 31, 1987, long-term sales agreements outstanding total \$1,965,000. Of this amount, \$399,000 reflects the cost of land sold and is included in Loan and Sales Agreements. The balance of \$1,566,000 represents the unrealized gain on the sales and will be recorded as cash is received.

##### 1i. Other Loans

Other loans are those made to nongovernment agencies or individuals and are subject to a variety of interest rates and terms of repayment.

Other loans are carried at cost and will be revalued when it becomes evident that they are uncollectible. All write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

##### 1j. Investments in Crown Entities

Investments in crown entities represent long-term equity advances which are non-interest bearing and have no fixed terms of repayment.

Investments are valued at original cost. Revaluation of the investment will occur when the liabilities of the crown entity significantly exceed the net realizable value of its assets and the accumulated deficit is not funded by appropriation. Any write-downs reducing the carrying value of the investment are charged directly to equity.

Dividends from the investments are recorded as revenue.

##### 1k. Investment in Agricultural Land and Related Assets

The Heritage Fund (Saskatchewan) Amendment Act, 1983 transferred the assets and liabilities of the former Saskatchewan Land Bank Commission to the Agricultural Division of the Saskatchewan Heritage Fund effective April 1, 1983. Investment in Agricultural Land and Related Assets represents the cost of land and improvements held for resale.

Sales of these lands and improvements are recorded as a recovery of investment in amounts equal to the cost and any gains are recorded as revenue when received. Where the sale involves a long-term sales agreement, the amount equal to the cost of the investment sold is recorded as an asset; any amount due in respect of a gain on the sale is recorded as revenue only upon collection. Any loss on the sale of these lands and improvements is charged directly to equity.

## *Saskatchewan Heritage Fund*

### *Notes to the Financial Statements — (Concluded)*

#### *Specific Policies — (Concluded)*

##### **1l. Other Investments**

These investments are carried at cost and will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged directly to equity.

##### **1m. Loan from the Consolidated Fund**

This represents a long-term obligation to the Consolidated Fund in respect of an interest bearing loan previously due from the Saskatchewan Land Bank Commission. Pursuant to provisions of The Farm Purchase Program Act the Farm Purchase Program Fund is authorized to receive the lease revenues on the land formerly owned by the Saskatchewan Land Bank Commission and in turn, to pay the interest on the loan from the Consolidated Fund. Accordingly, \$19,927,664 was paid by the Farm Purchase Program Fund to the Consolidated Fund in 1986-87 as interest expense on the outstanding loan. Pursuant to provisions of The Heritage Fund (Saskatchewan) Amendment Act, 1983, and as provided by appropriation, a payment of \$9,024,789 was made from the Saskatchewan Heritage Fund to the Farm Purchase Program Fund to cover the deficiency of the lease fees in meeting the interest costs.

## **2. Additional Information**

### **2a. Equity**

Equity of the Fund consists of two components: unallocated equity and reserve accounts. The reserve accounts were established pursuant to Treasury Board Directive as authorized by section 14 of The Heritage Fund (Saskatchewan) Act.

Within the Energy Security Division, an Energy Security Reserve has been created for the purpose of funding the future development of energy resources. Within the Environmental Protection Division an Environmental Protection Reserve has been created to provide for contingency funding to mitigate unforeseen environmental problems related to uranium milling.

### **2b. Fund Dividend to the Consolidated Fund**

An annual appropriation in the Saskatchewan Heritage Fund provides for fund dividends to the Consolidated Fund. Payments are made upon the direction of the Minister of Finance.

### **2c. Overcommitments**

The Saskatchewan Heritage Fund uses the modified cash basis of accounting. Under this method, accounts receivable or payable are not recorded.

There is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

At March 31, 1987 an appropriation of the Department of Energy and Mines was overcommitted by an amount of \$26,090,720. The overcommitment of an appropriation of the Department of Energy and Mines relates primarily to an indebtedness in an estimated amount of \$26,558,144 respecting grants under The Oil and Gas Incentives Regulations 1978. Under The Oil and Gas Incentives Regulations 1978, expenditures on oil and gas exploration and development within the Province may be cost shared by the Provincial Government. Eligibility is conditional upon the production of oil within the Province. At March 31, 1987, such expenditures on oil and gas exploration and development, as approved, when combined with the production of oil as reported, calculates to the indebtedness noted. Such amounts are subject to adjustment upon final approval and payment.

### **2d. Comparative Information**

Certain of the 1986 figures have been reclassified to conform with the current year presentation; however, with regard to expenditures of the prior year, the figures are reported on the same basis as the estimates of the prior year.

**Saskatchewan Heritage Fund****Schedule 1****Cash and Short-Term Investments**

March 31, 1987

	(\$ Thousands)	
	1987	1986
<b>Cash (Overdraft)</b>		
Energy Security Division	\$ 4	\$ 41
Environmental Protection Division	7	4
Research and Development Division	5	41
	16	86
<b>Short-Term Investments</b>		
Energy Security Division	1,279	17,736
Environmental Protection Division	7,131	6,491
Research and Development Division	1,930	21,692
	10,340	45,919
	<b>\$ 10,356</b>	<b>\$ 46,005</b>

The market value of the Short-Term Investments at March 31, 1987 is \$10,428,742 (March 31, 1986 — \$46,474,000).

**Saskatchewan Heritage Fund****Schedule 2****Short-Term Loans to Crown Entities**

March 31, 1987

	(\$ Thousands)	
	1987	1986
<b>Energy Security Division</b>		
Crown Investments Corporation of Saskatchewan	\$41,600	\$21,200
<b>Research and Development Division</b>		
Crown Investments Corporation of Saskatchewan	45,200	4,700
Municipal Financing Corporation of Saskatchewan	—	13,500
	45,200	18,200
	<b>\$86,800</b>	<b>\$39,400</b>

**Saskatchewan Heritage Fund****Schedule 3****Loans to Crown Entities**

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Resources Division</b>		
Potash Corporation of Saskatchewan	\$ 5,000	\$10,000
Saskatchewan Grain Car Corporation	\$45,049	\$46,350
Less: Write-down	1,833	1,301
	48,216	55,049
<b>Energy Security Division</b>		
Saskatchewan Power Corporation	2,448	2,448
	\$50,664	\$57,497

**Saskatchewan Heritage Fund****Schedule 4****Other Loans**

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Energy Security Division</b>		
NewGrade Energy Inc.	\$60,678	\$6,100
	\$60,678	\$6,100

**Saskatchewan Heritage Fund****Schedule 5****Investment in Crown Entities**

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Resources Division</b>		
Crown Investments Corporation of Saskatchewan	\$109,976	\$109,976
Potash Corporation of Saskatchewan	418,554	418,554
Saskatchewan Mining Development Corporation	218,700	218,700
	<b>\$747,230</b>	<b>\$747,230</b>

**Saskatchewan Heritage Fund****Schedule 6****Other Investments**

March 31, 1987

(\$ Thousands)

	1987	1986
<b>Energy Security Division</b>		
NewGrade Energy Inc.	\$ 735	\$ 735
<b>Research and Development Division</b>		
Federal Government Bonds	1,434	1,434
Provincial Government Bonds	3,410	5,037
Corporate Bonds	250	374
Saskatchewan Municipal Bonds	1,022	1,553
	<b>6,116</b>	<b>8,398</b>
	<b>\$ 6,851</b>	<b>\$ 9,133</b>

The market value of Long-Term Investments in bonds at March 31, 1987 is \$6,314,855 (March 31, 1986 — \$8,736,000.)



***Part B – Additional Information***

March 31, 1987

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1986-87
July 22/81	July 22/87-88	15.6	July 22 and Jan. 22	London, England	Can.	Crown Invest. Corp. ....	\$ 70,000,000.00	\$ 70,000,000.00	\$ .....	\$ .....
(The original issue of \$100,000,000 to be redeemed \$30,000,000 July 22/86, \$30,000,000.00 July 22/87, and \$40,000,000.00 July 22/88; Non Callable)										
Oct. 2/78	Oct. 2/87	9 1/4	April 2 and Oct. 2	Any Canadian Branch of the Royal Bank of Canada	Can.	Crown Invest. Corp. ....	75,000,000.00	75,000,000.00	.....	.....
(Non Callable)										
Nov. 24/67-April 18/68	Nov. 15/87	7	Nov. 15 and May 15	Regina	Can.	Highways .....	5,450,000.00	5,450,000.00	6,651,923.48	163,500.00
(Interdepartmental; Non Callable)										
Dec. 30/82	Dec. 30/87	11 3/4	June 30 and Dec. 30	London, N.Y.	Can.	Crown Invest. Corp. ....	75,000,000.00	75,000,000.00	.....	.....
(Non Callable)										
Feb. 24/82	Feb. 24/88-89	16 3/4	Feb. 24 and Aug. 24	London	Can.	Sask Power ...	80,000,000.00	80,000,000.00	.....	.....
(The original issue of \$100,000,000 to be redeemed \$20,000,000 Feb. 24/87, \$20,000,000 Feb. 24/88, and \$60,000,000 Feb. 24/89; Non Callable)										
April 5/82	March 1/88	15 3/8	March 1	Zurich	U.S.	SMDC .....	77,662,684.00	77,662,684.00**	.....	.....
(The original issue of 150,000,000 Swiss Franc debentures has been converted by forward contract to \$77,662,684 U.S.; Non Callable)										
Aug. 15/68	Aug. 15/88	7 1/4	Feb. 15 and Aug. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ...	11,025,500.00	11,025,500.00	10,128,466.78	330,765.00
(Callable in whole but not in part on any interest payment date on or after August 15, 1986)										
Oct. 12/83	Oct. 12/88	11 1/2	April 12 and Oct. 12	R. W. T. M. St. J. V. E.	Can.	Province .....	125,000,000.00	125,000,000.00	.....	.....
(Non Callable)										
Nov. 15/81	Nov. 15/88	16 1/4	Nov. 15	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	SMDC .....	100,000,000.00	100,000,000.00**	.....	.....
(Callable in whole or in part on or after November 15, 1987)										
Dec. 2/83	Dec. 21/88	10 3/4	June 21 and Dec. 21	R. W. T. M. St. J. V. E.	Can.	Potash Corp. ... Crown Invest. Corp. ....	80,000,000.00 <u>20,000,000.00</u>	100,000,000.00	.....	.....
(Non Callable)										
Feb. 15/69	Feb. 15/89	7 5/8	Feb. 15 and Aug. 15	N.Y.	U.S.	Sask Power ...	11,300,000.00	11,300,000.00**	10,902,458.98	339,000.00
(Callable in whole or in part by lot on or after February 15, 1984)										
March 15/82	March 15/89	16	March 15	N.Y. Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	SMDC .....	50,000,000.00	125,000,000.00**	.....	.....
(Non Callable)										
Sept. 12/84	Sept. 12/89	12 1/4	March 12 and Sept. 12	R. W. T. M. St. J. V. E. H.	Can.	Province .....	100,000,000.00	100,000,000.00	.....	.....
(Non Callable)										

## Public Issue Debentures — (Continued)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1986-87
Sept. 12/86	Sept. 12/89	6¼	Sept. 12	Zurich	Can.	ACS .....	68,400,000.00	68,400,000.00	.....	.....
This Swiss franc/Canadian dollar dual currency issue has principal in Canadian dollars with annual interest in Swiss francs. These interest payments have been converted by forward contract to Canadian dollars; Non Callable)										
Nov. 15/84	Nov. 15/89	11 7/8	Nov. 15	N.Y. Brussels, Frankfurt/ Main, London, Luxembourg, Paris, Zurich	U.S.	SMDC .....	60,000,000.00**			
						Province .....	*53,200,000.00	113,200,000.00	.....	.....
*The Province's share of the original issue, \$40,000,000 11 7/8% U.S. debentures has been converted by forward contract to \$53,200,000 Canadian with an effective interest rate of 12.31%. (Non Callable)										
Feb. 12/87	Feb. 12/90	8½	Feb. 12	London, Regina, Frankfurt, Paris, Geneva, Brussels, Luxembourg	Can.	Crown Invest. Corp. ....	60,000,000.00			
						ACS .....	90,000,000.00	150,000,000.00	.....	.....
(Non Callable)										
March 22/83	March 15/90	10¾	March 15	N.Y.	U.S.	SMDC .....	75,000,000.00			
						Potash Corp. ..	50,000,000.00	125,000,000.00**	.....	.....
(Non Callable)										
March 28/85	March 28/90	9.53	March 28	Tokyo	Can.	MFC ....	28,013,536.50			
						Province .....	28,013,536.50	56,027,073.00	.....	.....
The original issue of 10,000,000,000 7.4% Yen debentures, with semi-annual interest payments has been converted by forward contract to \$56,027,073 Canadian with annual interest payments and an effective interest rate of 9.53%; Non Callable)										
Oct. 1/65	Oct. 1/90	4 7/8	Oct. 1 and April 1	N.Y.	U.S.	Sask Power ....	2,950,000.00			
						Sask Tel .....	5,900,000.00	8,850,000.00**	13,740,572.55	265,500.00
(Callable in whole or in part by lot on any date on or after October 1, 1975)										
Nov. 27/85	Nov. 27/90	7	Nov. 27 and May 27	Tokyo	Can.	Crown Invest. Corp. ....	14,727,540.50			
						Province .....	58,910,162.00	73,637,702.50	.....	.....
(The original Loan of 15,000,000,000 Yen has been converted by forward contract to \$73,637,702.50 Canadian; Non Callable)										
Dec. 1/70	Dec. 1/90	8¾	Dec. 1 and June 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ....	15,000,000.00	15,000,000.00	15,755,425.20	300,000.00
(Callable in whole but not in part on any interest payment date on or after December 1, 1987)										
Jan. 15/86	Jan. 15/91	9½	Jan. 15 and July 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Province .....	184,000,000.00			
						SEDCO .....	16,000,000.00	200,000,000.00	.....	.....
The original issue of \$150,000,000 was re-opened on October 15, 1986 and an additional \$50,000,000 was issued; Non Callable)										
March 5/86	March 5/91	8½	March 5	Brussels, Frankfurt/ Main, Geneva, London, Paris, Luxembourg	U.S.	SMDC .....	35,000,000.00			
						Potash Corp. ..	115,000,000.00	150,000,000.00**	.....	.....
(Non Callable)										
April 9/86	April 9/91	variable	April 9	Tokyo, London, Luxembourg, Brussels, N.Y.	Can.	Province .....	113,927,727.90	113,927,727.90	.....	.....
(The original 7½% 15,000,000,000 Yen dual currency Yen/U.S. dollar forex linked notes in which the principal was due in U.S. dollars and the interest due in Yen has been converted by forward contract to U.S. dollars at an interest rate linked to LIBOR, and converted to Canadian dollars at an interest rate linked to Canadian treasury bills; Non Callable)										
July 1/61	July 1/91	5%	July 1 and Jan. 1	R. W. T. M. St. J. V. E. H.	Can.	Sask Power ....	2,450,000.00	2,450,000.00	2,281,645.25	.....
(Callable in whole but not in part on any interest payment date on or after July 1, 1989)										

## Public Issue Debentures — (Continued)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1986-87
July 24/86	July 24/91	7½	July 24	N.Y., Brussels, Frankfurt/ Main, London, Luxembourg, Paris, Zurich	U.S.	Potash Corp. .. SMDC ..... Crown Invest. Corp. ....	50,000,000.00 25,000,000.00 50,000,000.00	125,000,000.00		
(Non Callable)										
Oct. 1/81	Oct. 1/91	16 3/8	Oct. 1 and April 1	N.Y.	U.S.	Sask Power .. Sask Tel .....	150,000,000.00 50,000,000.00	200,000,000.00**		
(Non Callable)										
Dec. 30/86	Dec. 30/91	9	June 30 and Dec. 30	Any Canadian Branch of the Royal Bank of Canada	Can.	Crown Invest. Corp. .... Province .....	65,000,000.00 85,000,000.00	150,000,000.00		
(Non Callable)										
March 1/85	March 1/92	11.26	March 1	N.Y., Brussels, Frankfurt/ Main, London, Luxembourg, Paris, Zurich	Can.	MFC ..... Province .....	26,710,000.00 106,840,000.00	133,550,000.00		
(The original issue of \$100,000,000, 10¼% U.S. debentures has been converted by forward contract to \$133,550,000 Canadian; Non Callable)										
June 30/82	June 30/92	15 5/8	June 30	Zurich	U.S.	Sask Power ....	46,452,384.00	46,452,384.00**		
(The original issue of 100,000,000 6¼% Swiss Franc debentures has been converted to \$46,452,384 U.S.; Non Callable)										
July 25/85	July 25/92	7 7/8	July 25 Jan. 25	Tokyo	Can.	Province .....	61,629,172.67	61,629,172.67		
(The original issue of 15,000,000,000 Yen has been converted by forward contract to \$61,629,172.67 Canadian; Non Callable)										
Aug. 25/82	Aug. 15/92	15	Aug. 15	N.Y.	U.S.	Potash Corp. .. Sask Power ....	50,000,000.00 100,000,000.00	150,000,000.00**		
(Non Callable)										
April 1/63	April 1/93	5¼	April 1 and Oct. 1	Bank of Montreal in H. St.J. M. T. W. R. S. E. and V.	Can.	Univ. of Sask .....	4,000,000.00	4,000,000.00	4,824,879.02	60,000.00
(Non Callable)										
May 29/86	May 29/93	8.63	May 29	Tokyo	Can.	Crown Invest. Corp. .... Province .....	40,903,141.36 40,903,141.36	81,806,282.72		
(The original 6.4% 10,000,000,000 Yen loan has been converted by forward contract to Canadian dollars with an effective interest rate of 8.63%; Non Callable)										
Jan. 15/64	Jan. 15/94	5½	Jan. 15 and July 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ....	3,769,000.00	3,769,000.00	2,980,202.65	65,957.50
(Callable in whole but not in part on any interest payment date on or after January 15, 1991)										
Oct. 1/65	Oct. 1/95	5½	Oct. 1 and April 1	Bank of Montreal in H. St.J. M. T. W. R. S. E. and V.	Can.	Univ. of Sask .....	4,000,000.00	4,000,000.00	3,216,586.04	60,000.00
(Callable in whole but not in part on or after October 1, 1983)										
April 1/81	April 1/96	13 3/8	April 1 and Oct. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power .... Sask Tel .....	73,955,500.00 73,955,500.00	147,911,000.00		
(Non Callable)										
April 16/86	April 16/96	9¼	April 16 and Oct. 16	Any Canadian Branch of the Royal Bank of Canada	Can.	Crown Invest. Corp. .... Province .....	35,000,000.00 165,000,000.00	200,000,000.00		
(Non Callable)										

## Public Issue Debentures — (Continued)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1986-87
Sept. 17/86	Sept. 17/96	9	March 17 and Sept. 17	Any Canadian Branch of the Royal Bank of Canada	Can.	Province .....	200,000,000.00	200,000,000.00	.....	.....
(Non Callable)										
Dec. 11/86	Dec. 11/96	9	June 11 and Dec. 11	Any Canadian Branch of the Royal Bank of Canada	Can.	Province .....	350,000,000.00	350,000,000.00	.....	.....
(Redeemable at the option of the holder on December 11, 1989)										
Feb. 15/73	Feb. 15/98	7¾	Feb. 15 and Aug. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	25,000,000.00 5,000,000.00	30,000,000.00	13,160,470.77	450,000.00
Dec. 3/73	Dec. 3/98	8¾	Dec. 3 and June 3	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	15,000,000.00 15,000,000.00	30,000,000.00	8,621,725.70	300,000.00
(Callable in whole but not in part on any interest payment date on or after December 3, 1993)										
Dec. 2/74	Dec. 2/99	10	June 2 and Dec. 2	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	20,000,000.00 25,000,000.00	45,000,000.00	12,583,761.72	450,000.00
(Callable in whole but not in part on any interest payment date on or after December 2, 1994)										
June 2/80	June 2/00	11¾	June 2 and Dec. 2	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	50,000,000.00 25,000,000.00	75,000,000.00	7,307,862.21	750,000.00
(Callable in whole but not in part on any interest payment date on or after June 2, 1997)										
Nov. 3/75	Nov. 3/00	9 7/8	Nov. 3 and May 3	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	2,962,857.14 2,222,142.86	5,185,000.00	1,213,895.24	51,850.00
(Callable in whole but not in part on any interest payment date on or after November 3, 1995)										
April 1/76	April 1/01	10¼	April 1 and Oct. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	50,000,000.00 25,000,000.00	75,000,000.00	14,833,410.06	750,000.00
(Callable April 1, 1996 in whole or on any interest payment date thereafter)										
Feb. 1/77	Feb. 1/02	9	Feb. 1 and Aug. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ... Sask Tel .....	50,000,000.00 25,000,000.00	75,000,000.00	13,946,107.95	750,000.00
(Callable February 1, 1997 or on any interest payment date thereafter in whole but not in part)										
Dec. 1/82	Dec. 1/02	13	June 1 Dec. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Tel .....	75,000,000.00	150,000,000.00	8,225,794.64	1,500,000.00
(Callable in whole but not in part on any interest payment date on or after Dec. 1/2000)										



## Details of Public Debt Outstanding

### Public Issue Debentures — (Concluded)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1986-87
March 30/83	March 30/03	12 1/4	March 30 and Sept. 30	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power .... Sask Tel .....	350,000,000.00 25,000,000.00	375,000,000.00	16,111,685.39	3,750,000.00
(The original issue of \$150,000,000.00 was reopened December 21, 1983 — \$125,000,000.00 and April 30, 1985 — \$100,000,000.00, Callable in whole but not in part on any interest payment date on or after March 30, 2001)										
June 15/78	June 15/03	9 1/2	June 15 and Dec. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power .... Sask Tel .....	45,000,000.00 30,000,000.00	75,000,000.00	10,944,539.98	750,000.00
(Callable as a whole on June 15, 1998 or on any interest payment date thereafter)										
May 15/79	May 15/04	10	May 15 and Nov. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power .... Sask Tel .....	60,000,000.00 40,000,000.00	100,000,000.00	12,121,783.76	1,000,000.00
(Callable in whole but not in part on May 15, 1999 or on any interest payment date thereafter)										
Dec. 30/86	Dec. 30/04	9 5/8	June 30 and Dec. 30	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power ....	100,000,000.00	100,000,000.00	.....	.....
(Non Callable)										
Nov. 15/76	Nov. 15/06	8.70	Nov. 15 and May 15	N.Y.	U.S.	Sask Power .... Sask Tel .....	75,000,000.00 50,000,000.00	125,000,000.00**	24,238,080.57	1,250,000.00
(Callable November 15, 1991 in whole or in part by lot thereafter)										
May 15/77	May 15/07	8 5/8	May 15 and Nov. 15	N.Y.	U.S.	Sask Power .... Sask Tel .....	75,000,000.00 50,000,000.00	125,000,000.00**	21,742,471.05	1,250,000.00
(Callable in whole or in part on May 15, 1992 or on subsequent dates)										
March 2/83	March 1/08	9	March 1	London, Toronto	Can.	Sask Power ....	50,000,000.00	50,000,000.00	.....	.....
(Non Callable)										
April 15/78	April 15/08	9 1/4	April 15 and Oct. 15	Royal Bank of Canada Trust Co.	U.S.	Sask Power .... Sask Tel .....	75,000,000.00 50,000,000.00	125,000,000.00**	18,387,953.38	1,250,000.00
(Callable in whole or in part on April 15, 1993 or on subsequent dates)										
Dec. 1/65	Dec. 1/15	5 1/8	June 1 and Dec. 1	Ottawa	Can.	Univ. of Sask .....	2,294,238.07	2,294,238.07	.....	.....
(Payable in blended semi-annual payments of principal and interest totalling \$76,399.60. Prepayable in whole or in part any time prior to December 1/2015, without penalty)										
								\$ 5,452,527,764.86		
								474,206,272.25		
<b>Total Public Issue Debentures Outstanding as at March 31, 1987</b>								<b>\$ 5,926,734,037.11</b>		
Sinking Fund Equity on Public Debentures at March 31, 1987									\$ 253,921,702.37	
Sinking Fund Contributions as Listed										\$ 15,836,572.50
Plus Sinking Fund contributions made in 1986-87 on matured debentures										
5 1/2% June 15, 1986										79,500.00
6 3/4% October 1, 1986										267,765.00
6% March 1, 1987										263,490.00
<b>Total contributions to Public Debentures Sinking Funds in 1986-87 Fiscal Year</b>										<b>\$ 16,447,327.50</b>

#### Explanatory Note

R-Regina; W-Winnipeg; T-Toronto; M-Montreal; St.J.-Saint John, N.B.; V-Vancouver; E-Edmonton; H-Halifax; C-Calgary; O-Ottawa; N.Y.-New York.

All issues payable in Canada, redeemable at any branch of The Royal Bank of Canada in Canada.

## Other Debentures Outstanding

March 31, 1987

	Range of Maturity	Range of Interest Rates	Total	Equity in Sinking Funds
Municipal Development Loan Fund Debentures	1987-2008	5.25 - 5.625	\$ 907,323	\$ —
Canada Pension Plan Debentures	1987-2007	5.37-17.51	1,460,423,000	174,188,518
Debentures Issued Under the Authority of the Federal-Provincial Employment Program	1993	6.67-7.23	673,893	—
Agricultural Services Centres Agreements	1995-2004	Various	5,817,508	—
Total Other Debentures			\$1,467,821,724	\$ 174,188,518
Total Public Issue Debentures			5,926,734,037	253,921,702
			\$7,394,555,761	\$ 428,110,220

## Summary of Public Debt Transactions

March 31, 1987

(\$ Thousands)

	Balance Beginning of Year	Sold	Redeemed	Exchange Rate Adjustment**	Balance End of Year
<b>Debentures</b>					
Public Issues	\$4,606,263	\$ 1,627,272	\$ 147,481	\$ (159,320)	\$5,926,734
Canada Pension Plan	1,351,176	133,709	24,462	—	1,460,423
Agricultural Services Centres Agreement	6,099	—	281	—	5,818
Municipal Development Loan Fund	1,339	—	432	—	907
Federal-Provincial Employment Program	747	—	73	—	674
	5,965,624	1,760,981	172,729	(159,320)	7,394,556
<b>Treasury Bills</b>					
1266	651,000	2,600,000	2,601,000	—	650,000
1282	2,400	—	2,400	—	—
	653,400	2,600,000	2,603,400	—	650,000
<b>Promissory Notes</b>					
P.N.D.	1,780,600	6,202,665	6,220,650	—	1,762,615
	\$8,399,624	\$10,563,646	\$8,996,779	\$ (159,320)	\$9,807,171

\*\*Reflects the difference in conversion values at March 31, 1986, and March 31, 1987 resulting from converting \$ U.S. debt into \$ Canadian.

## Debt Redemption

March 31, 1987

### Consolidated Fund

(\$ Thousands)

#### Finance

Statutory Appropriation Estimate	\$ 374,877	Payments	\$8,996,779
Debentures			\$ 172,729
Treasury Bills			2,603,400
Promissory Notes			6,220,650
			\$8,996,779

**Promissory Notes Outstanding**

March 31, 1987

<i>Date of Issue</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount of Original Issue</i>	<i>Amount Outstanding</i>
October 2, 1986	April 2, 1987	8.730	\$ 8,000,000	\$ 8,000,000
October 7, 1986	April 2, 1987	8.660	10,000,000	10,000,000
January 6, 1987	April 2, 1987	8.240	25,000,000	25,000,000
October 7, 1986	April 6, 1987	8.660	10,000,000	10,000,000
October 7, 1986	April 6, 1987	8.680	30,000,000	30,000,000
January 6, 1987	April 6, 1987	8.240	25,000,000	25,000,000
October 7, 1986	April 8, 1987	8.660	5,000,000	5,000,000
October 8, 1986	April 8, 1987	8.670	30,000,000	30,000,000
January 7, 1987	April 9, 1987	8.200	25,000,000	25,000,000
December 17, 1986	April 13, 1987	8.400	25,000,000	25,000,000
January 8, 1987	April 13, 1987	8.180	25,000,000	25,000,000
March 13, 1987	April 15, 1987	7.020	10,000,000	10,000,000
March 13, 1987	April 16, 1987	7.020	4,000,000	4,000,000
November 6, 1986	April 30, 1987	8.720	6,000,000	6,000,000
November 6, 1986	April 30, 1987	8.720	16,000,000	16,000,000
November 6, 1986	April 30, 1987	8.720	5,900,000	5,900,000
October 31, 1986	May 1, 1987	8.700	32,915,000	32,915,000
October 31, 1986	May 1, 1987	8.730	10,000,000	10,000,000
October 31, 1986	May 1, 1987	8.720	25,000,000	25,000,000
October 31, 1986	May 4, 1987	8.730	15,000,000	15,000,000
November 14, 1986	May 4, 1987	8.650	6,500,000	6,500,000
November 3, 1986	May 5, 1987	8.770	5,000,000	5,000,000
November 13, 1986	May 5, 1987	8.630	25,000,000	25,000,000
November 13, 1986	May 5, 1987	8.630	3,000,000	3,000,000
November 14, 1986	May 5, 1987	8.660	15,000,000	15,000,000
October 16, 1986	May 6, 1987	8.770	10,000,000	10,000,000
October 30, 1986	May 5, 1987	8.750	5,000,000	5,000,000
November 3, 1986	May 6, 1987	8.730	15,000,000	15,000,000
November 5, 1986	May 6, 1987	8.735	25,000,000	25,000,000
November 3, 1986	May 7, 1987	8.770	12,000,000	12,000,000
November 3, 1986	May 8, 1987	8.750	5,000,000	5,000,000
January 15, 1987	May 8, 1987	8.040	20,000,000	20,000,000
November 3, 1986	May 11, 1987	8.770	13,000,000	13,000,000
November 14, 1986	May 11, 1987	8.660	5,000,000	5,000,000
January 15, 1987	May 11, 1987	8.030	25,000,000	25,000,000
January 15, 1987	May 12, 1987	8.040	20,000,000	20,000,000
November 14, 1986	May 19, 1987	8.640	40,000,000	40,000,000
November 14, 1986	May 19, 1987	8.650	10,000,000	10,000,000
November 21, 1986	May 21, 1987	8.540	50,000,000	50,000,000
November 24, 1986	May 26, 1987	8.540	50,000,000	50,000,000
November 26, 1986	May 26, 1987	8.410	50,000,000	50,000,000
January 9, 1987	May 29, 1987	8.220	6,800,000	6,800,000
January 9, 1987	May 29, 1987	8.220	7,000,000	7,000,000
December 3, 1986	June 3, 1987	8.420	50,000,000	50,000,000
March 13, 1987	June 15, 1987	7.000	5,000,000	5,000,000
March 13, 1987	June 16, 1987	7.010	25,000,000	25,000,000
June 17, 1985	June 17, 1987	9.750	45,000,000	45,000,000
June 17, 1985	June 17, 1987	9.750	50,000,000	50,000,000
June 17, 1985	June 17, 1987	9.750	5,000,000	5,000,000
September 26, 1986	June 23, 1987	8.960	25,000,000	25,000,000
March 13, 1987	June 26, 1987	7.030	10,000,000	10,000,000
March 31, 1987	June 29, 1987	7.010	10,000,000	10,000,000
March 31, 1987	June 30, 1987	7.010	5,000,000	5,000,000
March 31, 1987	June 30, 1987	7.010	5,000,000	5,000,000
January 2, 1987	July 2, 1987	8.570	30,000,000	30,000,000
January 2, 1987	July 3, 1987	8.570	5,000,000	5,000,000
January 5, 1987	July 6, 1987	8.490	35,000,000	35,000,000
October 7, 1986	July 7, 1987	8.850	25,000,000	25,000,000
January 2, 1987	July 7, 1987	8.570	10,000,000	10,000,000
January 8, 1987	July 8, 1987	8.320	75,000,000	75,000,000
October 8, 1986	July 9, 1987	8.850	20,000,000	20,000,000

***Promissory Notes Outstanding — Concluded****March 31, 1987*

<i>Date of Issue</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount of Original Issue</i>	<i>Amount Outstanding</i>
January 9, 1987	July 9, 1987	8.270	50,000,000	50,000,000
January 12, 1987	July 13, 1987	8.260	15,000,000	15,000,000
January 13, 1987	July 13, 1987	8.210	50,000,000	50,000,000
October 14, 1986	July 14, 1987	8.870	10,000,000	10,000,000
January 14, 1987	July 14, 1987	8.190	30,000,000	30,000,000
January 14, 1987	July 14, 1987	8.190	30,000,000	30,000,000
January 9, 1987	July 15, 1987	8.270	10,000,000	10,000,000
January 12, 1987	July 15, 1987	8.260	10,000,000	10,000,000
January 13, 1987	July 15, 1987	8.260	25,000,000	25,000,000
January 14, 1987	July 15, 1987	8.190	3,000,000	3,000,000
January 14, 1987	July 20, 1987	8.190	5,000,000	5,000,000
January 14, 1987	July 20, 1987	8.190	25,000,000	25,000,000
September 29, 1986	September 28, 1987	9.070	35,000,000	35,000,000
September 30, 1986	September 29, 1987	9.085	35,000,000	35,000,000
October 23, 1986	October 15, 1987	8.950	25,000,000	25,000,000
October 23, 1986	October 16, 1987	8.950	25,000,000	25,000,000
October 20, 1986	October 20, 1987	9.100	25,000,000	25,000,000
October 21, 1986	October 20, 1987	9.120	30,000,000	30,000,000
October 23, 1986	October 22, 1987	8.960	25,000,000	25,000,000
October 23, 1986	October 23, 1987	8.950	25,000,000	25,000,000
October 31, 1986	October 27, 1987	8.950	10,000,000	10,000,000
November 3, 1986	October 27, 1987	9.020	10,000,000	10,000,000
November 17, 1986	November 17, 1987	8.920	15,000,000	15,000,000
November 27, 1986	November 23, 1987	8.770	15,000,000	15,000,000
January 15, 1987	November 27, 1987	8.200	16,500,000	16,500,000
November 27, 1986	November 30, 1987	8.770	7,000,000	7,000,000
			<b>\$1,762,615,000</b>	<b>\$1,762,615,000</b>

***Treasury Bills Outstanding****March 31, 1987*

<i>Rate</i>	<i>Series</i>	<i>Maturing</i>	<i>Amount Outstanding</i>
Non-Interest Bearing	1266	\$50,000,000 weekly	\$650,000,000
			<b>\$650,000,000</b>

*Note:*

Treasury Bills Series 1266 represent funds initially used to finance highway construction and other capital expenditures and to cover temporary insufficiencies of the Consolidated Fund. These Bills were issued at various discount rates.



# Interest on Public Debt — Province's and Crown Entities' Share

March 31, 1987

(\$ Thousands)

	Public Debt Debentures	C.P.P. Investment Fund Debentures	Other Debentures	Promissory Notes	Treasury Bills	Interest Charges	Total
<b>Crown Entities</b>							
Saskatchewan Power Corporation	\$191,529	\$ 47,113	\$ —	\$ 3,575	\$ 141	\$ —	\$242,358
Saskatchewan Telecommunications	72,111	10,410	—	96	—	—	82,617
University of Saskatchewan	—	159	—	—	—	—	159
Saskatchewan Water Corporation	—	962	—	—	—	—	962
Saskatchewan Economic Development Corporation	760	2,611	—	1,694	—	—	5,065
Saskatchewan Heritage Fund	—	19,928	—	—	—	—	19,928
Agricultural Credit Corporation of Saskatchewan	—	20,224	—	104,263	—	—	124,487
Potash Corporation of Saskatchewan	43,250	38,063	—	—	—	—	38,063
Crown Investments Corporation of Saskatchewan	35,667	8,011	—	2,133	—	—	45,383
Saskatchewan Government Printing Company	—	—	—	32,368	—	—	76,046
Saskatchewan Mining Development Corporation	54,353	—	—	191	—	—	191
Municipal Financing Corporation of Saskatchewan	5,541	—	—	65	—	—	54,418
Farm Purchase Program	—	—	—	136	—	—	5,677
Saskatchewan Property Management Corporation	—	—	—	232	—	—	232
	—	—	—	11,287	—	—	11,287
<b>Province's Share</b>	95,992	730	607	34,202	52,364	8,692	192,587
	\$499,203	\$148,211	\$ 607	\$190,242	\$ 52,505	\$ 8,692	\$899,460



## Summary of Sinking Funds

March 31, 1987

<i>Sinking Fund</i>	<i>Total</i>	<i>Province</i>	<i>Sask Tel</i>	<i>Sask Power</i>	<i>Sask Water</i>	<i>University of Saskatchewan</i>	<i>Munality</i>
<b>General Sinking Fund</b>							
8 3/4% Dec. 1, 1990	\$ 15,755,425.20	\$ —	—	\$ 15,755,425.20	—	\$ —	—
7 3/4% Feb. 15, 1998	13,160,470.77	—	2,193,411.80	10,967,058.97	—	—	—
8 3/4% Dec. 3, 1998	8,621,725.70	—	4,310,862.85	4,310,862.85	—	—	—
10% Dec. 2, 1999	12,583,761.72	—	6,990,978.73	5,592,782.99	—	—	—
11 3/4% June 2, 2000	7,307,862.21	—	2,435,954.07	4,871,908.14	—	—	—
9 7/8% Nov. 3, 2000	1,213,895.24	—	520,240.85	693,654.39	—	—	—
10 1/4% April 1, 2001	14,833,410.06	—	4,944,470.02	9,888,940.04	—	—	—
9% Feb. 1, 2002	13,946,107.95	—	4,648,702.65	9,297,405.30	—	—	—
13% Dec. 1, 2002	8,225,794.64	—	4,112,897.32	4,112,897.32	—	—	—
12 1/4% March 30, 2003	16,111,685.39	—	1,074,112.36	15,037,573.03	—	—	—
9 1/2% June 15, 2003	10,944,539.98	—	4,377,815.99	6,566,723.99	—	—	—
10% May 15, 2004	12,121,783.76	—	4,848,713.51	7,273,070.25	—	—	—
8 7/10% May 15, 2006	24,238,080.57	—	9,695,232.22	14,542,848.35	—	—	—
8 5/8% May 15, 2007	21,742,471.05	—	8,696,988.42	13,045,482.63	—	—	—
9 1/4% April 15, 2008	18,387,953.38	—	7,355,181.35	11,032,772.03	—	—	—
<b>Total General Sinking Fund</b>	199,194,967.62	—	66,205,562.14	132,989,405.48	—	—	—
7% Nov. 15, 1987	6,651,923.48	6,651,923.48	—	—	—	—	—
7.25% Aug. 15, 1988	10,128,466.78	—	—	10,128,466.78	—	—	—
7.625% Feb. 15, 1989	10,902,458.98	—	—	10,902,458.98	—	—	—
4.875% Oct. 1, 1990	13,740,572.55	—	9,160,381.70	4,580,190.85	—	—	—
5.75% July 1, 1991	2,281,645.25	—	—	2,281,645.25	—	—	—
5.25% April 1, 1993	4,824,879.02	4,824,879.02	—	—	—	—	—
5.5% Jan. 15, 1994	2,980,202.65	—	—	2,980,202.65	—	—	—
5.5% Oct. 1, 1995	3,216,586.04	3,216,586.04	—	—	—	—	—
<b>Canada Pension Plan</b>							
5.88% Nov. 1, 1987-88	30,442,785.77	9,770,064.12	810,995.82	10,244,910.70	9,616,815.13	—	—
6.73% Nov. 1, 1988-89	33,323,165.49	—	4,672,107.74	26,077,809.59	2,573,248.16	—	—
7.68% Nov. 1, 1989-90	31,412,235.35	—	5,530,909.34	25,634,677.14	246,648.87	—	—
7.78% Nov. 1, 1990-91	30,566,928.39	—	6,992,154.30	23,574,774.09	—	—	—
7.06% Nov. 1, 1991-92	22,143,302.77	—	5,554,603.22	16,211,776.25	376,923.30	—	—
7.38% Nov. 1, 1992-93	18,754,744.38	—	7,394,208.01	11,360,536.37	—	—	—
7.53% Nov. 1, 1993-94	6,577,025.11	—	3,805,091.84	2,771,933.27	—	—	—
9.14% Nov. 1, 1995-96	811,246.88	—	—	—	811,246.88	—	—
8.88% Nov. 1, 1997-98	157,083.77	—	—	—	157,083.77	—	—
<b>Total Provincial Sinking Funds</b>	428,110,220.28	24,463,452.66	110,126,014.11	279,738,787.40	12,970,719.23	811,246.88	—
Administered for Others	1,601,489.21	—	—	—	—	—	1,601,489.21
<b>Total Sinking Funds Administered</b>	\$429,711,709.49	\$ 24,463,452.66	\$110,126,014.11	\$279,738,787.40	\$ 12,970,719.23	\$ 811,246.88	\$ 1,601,489.21

## ***Sinking Fund Payments***

*For the Year Ended March 31, 1987*

### **Consolidated Fund**

<b>Finance</b>					
Statutory Appropriation					
Estimate	\$20,291				
Less: Estimated Reimbursement	19,755				
	<u>\$ 536</u>	<b>Payments</b>		<u>\$ 556</u>	
Total Payments					\$20,238
Less Reimbursements:					
Saskatchewan Power Corporation		\$13,957			
Saskatchewan Telecommunications		5,690			
University of Saskatchewan		35			19,682
					<u>\$ 556</u>

## ***Summary of Loan, Investment and Deposit Activity***

### ***Increases (Decreases) in Loans to Crown Entities and Others***

*For the Year Ended March 31, 1987*

(\$Thousands)

	Loans		Repayments		Actual Net Increase (Decrease)
	Estimate	Actual	Estimate	Actual	
Consolidated Fund					
Loans to Crown Entities					
Agricultural Credit Corporation of Saskatchewan	\$ 206,000	\$ 158,400	\$ —	\$ 110,045	\$ 48,355
Crown Investments Corporation of Saskatchewan	254,000	266,158	188,000	188,000	78,158
Potash Corporation of Saskatchewan	143,000	65,255	—	—	65,255
Saskatchewan Economic Development Corporation	21,000	26,000	—	—	26,000
Saskatchewan Mining Development Corporation	—	32,628	—	—	32,628
Saskatchewan Municipal Financing Corporation	20,000	—	—	—	—
Saskatchewan Power Corporation	388,000	241,111	124,826	174,826	66,285
Saskatchewan Property Management Corporation	158,760	—	—	—	—
Saskatchewan Telecommunications	37,000	32,598	13,283	13,283	19,315
Increase in Loans to Crown Entities	1,227,760	822,150	326,109	486,154	335,996
Other Loans					
Advanced Education and Manpower					
Student Loan Program	—	17,807	—	1	17,806
Agriculture					
South Saskatchewan River Irrigation Project:					
Acquisition of Lands for Resale	—	—	—	71	(71)
Loans to Farm Operators for Land Improvement	—	—	—	11	(11)
Co-operation and Co-operative Development					
Advances to Co-operatives	—	—	—	55	(55)
Education					
School Loans	—	—	—	139	(139)

## Summary of Loan, Investment and Deposit Activity

### Increases (Decreases) in Loans to Crown Entities and Others — (Concluded)

For the Year Ended March 31, 1987

(\$Thousands)

	<i>Loans</i>		<i>Repayments</i>		<i>Actual Net Increase (Decrease)</i>
	<i>Estimate</i>	<i>Actual</i>	<i>Estimate</i>	<i>Actual</i>	
<b>Finance</b>					
University of Saskatchewan	—	—	—	7	(7)
Treasury Advances	—	1,605	—	1,614	(9)
<b>Health</b>					
University Hospital Board	—	—	—	66	(66)
<b>Revenue and Financial Services</b>					
Payroll — Holiday Advance	—	402	—	401	1
<b>Tourism and Small Business</b>					
Economic Development Loans	—	1,414	—	—	1,414
<b>Urban Affairs</b>					
Agricultural Service Centres Agreement: Shareable	—	—	—	325	(325)
Employment Loans Programs: Federal-Provincial	—	—	—	73	(73)
Loans to Industrial Towns	—	—	—	82	(82)
Loans to Municipalities Pursuant to Downtown Development Agreements	—	781	—	—	781
Loans to Municipalities under The Municipal Development and Loans (Saskatchewan) Act	—	—	—	432	(432)
Winter Works Programs Federal-Provincial	—	—	—	439	(439)
Provincial	—	—	—	92	(92)
Urban Loan Assistance Program	—	128	—	—	128
<b>Crop Insurance Corporation Insurance Fund</b>					
Loans to the Saskatchewan Crop Insurance Fund pursuant to an agreement between the Provincial and Federal Government	—	57,870	—	57,870	—
Loans to cover crop insurance claims pursuant to an agreement between the Provincial and Federal Government	—	—	—	169,915	(169,915)
<b>Agricultural Returns Stabilization Fund</b>					
Loans pursuant to the Saskatchewan Agricultural Returns Stabilization Act	—	13,081	—	2,754	10,327
Increase in Other Loans	—	93,088	—	234,347	(141,259)
<b>Consolidated Fund Increase in Loans</b>	<b>1,227,760</b>	<b>915,238</b>	<b>326,109</b>	<b>720,501</b>	<b>194,737</b>
<b>Saskatchewan Heritage Fund</b>					
<b>Loans to Crown Entities</b>					
Potash Corporation of Saskatchewan	—	—	5,000	5,000	(5,000)
Decrease in Loans to Crowns	—	—	5,000	5,000	(5,000)
<b>Other Loans</b>					
Loans and Sale Agreements NewGrade Energy Inc.	35,000	54,578	—	618	(618)
Increase in Other Loans	35,000	54,578	—	618	53,960
<b>Heritage Fund Increase (Decrease) in Loans</b>	<b>35,000</b>	<b>54,578</b>	<b>5,000</b>	<b>5,618</b>	<b>48,960</b>
<b>Total Combined Increase in Loans</b>	<b>\$1,262,760</b>	<b>\$ 969,816</b>	<b>\$ 331,109</b>	<b>\$ 726,119</b>	<b>\$ 243,697</b>

## ***Increases (Decreases) in Investments in Crown Entities and Others***

*For the Year Ended March 31, 1987*

	(\$Thousands)				
	Loans		Repayments		Actual Net Increase (Decrease)
	Estimate	Actual	Estimate	Actual	
Consolidated Fund					
Hudson Bay Dehydrators Mutual Limited	\$ —	\$ —	\$ —	\$ —	\$ —
Lake Lenore Seed Cleaning Co-operative Limited	—	—	—	10	(10)
Paradise Hill Seed Cleaning Co-operative Limited	—	—	—	—	—
Credit Union Central	—	300	—	1,495	(1,195)
Consolidated Fund Increase in Investments in Crown Entities and Others	—	300	—	1,505	(1,205)
Saskatchewan Heritage Fund					
Other Investments	—	—	—	2,282	(2,282)
Saskatchewan Heritage Fund					
Increase in Investments in Crown Entities and Others	—	—	—	2,282	(2,282)
Total Combined Increase (Decrease) in Investments	\$ —	\$ 300	\$ —	\$ 3,787	\$(3,487)

## ***Increase (Decrease) in Amounts Payable to Crown Entities***

*For the Year Ended March 31, 1987*

	(\$ Thousands)		<b><i>Increase (Decrease)</i></b>
	<i>Receipts on behalf of</i>	<i>Disbursements on behalf of</i>	
<b>Consolidated Fund</b>			
Saskatchewan Heritage Fund	\$338,171	\$322,913	\$ 15,258
Saskatchewan Liquor Board	106,000	140,000	(34,000)
Special Projects Fund	—	931	(931)
The Market Development Fund	316	276	40
Total Consolidated Fund Increase in Amounts Payable to Crown Entities	444,487	464,120	(19,633)
Less: Crown Entities Consolidated in Combined Statements:			
Saskatchewan Heritage Fund	338,171	322,913	15,258
	\$106,316	\$141,207	\$(34,891)







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